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No. 95-1184

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In the Supreme Court of the United States

OCTOBER TERM, 1995

DANIEL R. GLICKMAN, SECRETARY OF AGRICULTURE,
PETITIONER

v.

WILEMAN BROS. & ELLIOTT, INC., ET AL.

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

JOINT APPENDIX
Volume II

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EDITOR'S NOTE

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NOTATION RE ITEMS PREVIOUSLY SUBMITTED

The following opinions, decisions, orders and other parts of the record have been omitted in printing this joint appendix because they appear on the following pages in the appendix to the petition for a writ of certiorari and within the appendix to the brief in opposition to the petition for a writ of certiorari.

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II.

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1982-1983 CALIFORNIA STONE FRUIT BUDGETS

Peach Commodity Committee
Plum Commodity Committee
Nectarine Administrative Committee

I hand you herewith these documents, all having to do with the 1982-1983 budgets for peaches, plums and nectarines:

1. Proposed Allocation of Joint Expenses Among Programs for 1982-1983 Compared With Prior Year.
2. The Budgets with attachments.
3. Nine Research Proposals.
4. Recap of Ripening Bowl Sales to April 30, 1982.

JOINT EXPENSES

No changes have been made in the indicators used to determine the allocation of expenses although more weight is being given to judgment than empirical data because of the increased promotional activities performed in-house. These are not accurately measured by such records as computer counts and the time records available. (Field staff only.) Only one change in percentage allocations has been made. Clerical expenses for plums have been lowered from 22% to 20% because of the much reduced volume. The indicators here would have justified to increase of 26% had the crop been normal. Aside from a reduction in Clerical

expense, the lesser volume does not affect other categories.

The total budget for joint expenditures is \$587,677, slightly down from the \$592,161 spent in fiscal 1981-1982. The larger decrease is to be seen in salaries of the administrative and promotional people as this staff returns to a normal complement of four following the retirement of Dudley Bidstrup. Other items reflect salary increases of about 8% for all employees except the manager whose salary remains the same.

STONE FRUIT BUDGETS

Research

Of the nine research projects approved, six are continuations of work begun in earlier years. The three new ones are these:

1. Evaluation of the physiology efficiency of peach, nectarine and plum trees in different orchard systems (De Jong).
2. Fruit tolerance to alternate insert quarantine treatments (Mitchell).
3. Influence of orchard and packinghouse practices on surface damage of stone fruits (Phillips).

The Mitchell proposal is not yet specific and the work may not be performed. If the project is to proceed, Mr. Mitchell will submit a detailed proposal. Presently he is considering heat treatments and gamma ray exposure. The Moulton project concerning marketing op-

portunities in Pacific rim countries was started a year ago but only Japan was surveyed. Dr. Moulton will now look at Taiwan, Hong Kong and Singapore in that order. The Japan report was excellent.

Research expenditures total \$82,310 to be apportioned as shown on the back of each budget.

INSPECTION

These costs are estimated by the Inspection Service and are considerably higher because of the damaged crops. The per-package estimates are shown in each budget and may be compared to 1981 actual per-package costs shown below:

	<u>1981-1982</u>	<u>1982-1983</u>
Plums	.04888	.091
Peaches	.04885	.062
Nectarines	.03902	.053

These estimated costs are affected not only by low volume but also reduced quality of deliveries. Hail damaged fruit moves slowly through packinghouses.

MARKET DEVELOPMENT

As the attachments show, direct market development expenditures in behalf of the stone fruits are budgeted at \$2,378,866. A proposed budget of some \$437,000 will shortly be considered by the Pear Committee.

The California Summer Fruits media campaign now calls for 15 weeks of nationwide network radio ad-

vertising; up to 14 weeks of spot television in up to 19 markets, as well as 13 weeks of advertising on one syndicated and one cable television program; and three full-page tie-in advertisements, each supported by in-store recipe distributions, in the June, July and August issues of 16 consumer magazines.

Radio levels will range from 40 to 80 network advertisements per week. Estimated reach and frequency is 70% of all U. S. adults an average of 13 times. The magazine schedule for June includes *Family Circle*, *Good Housekeeping*, *Parents*, *Seventeen*, *Southern Living*, *Sunset* and *Working Mother*; for July, *Family Circle*, *Life*, *McCall's* and *People*; for August, *Better Homes and Gardens*, *Good Housekeeping*, *Southern Living*, *Sunset* and *Woman's Day*. Estimated reach and frequency is 63% of all U. S. women an average of 3 times. The respective tie-in partners are Knox gelatine, Kraft salad dressing and Karo syrup. Newly created commercials will be employed for both radio and television. Television reach and frequency in the 19 markets is preliminary estimated at 80% of all adults an average 9 times.

The 13-man Oregon-Washington-California Pear Bureau field staff has again been retained to disseminate crop and handling information, merchandise the advertising campaign, distribute point-of-sale materials and promote the California Summer Fruits ripening bowl. On the consumer publicity and education front, 65 different recipe-photo releases will be furnished to 750 newspapers. Efforts to secure increased editorial exposure in consumer magazines will also continue, as will efforts to encourage increased food-service use.

RIPENING BOWL

The ripening bowl statement shows the number of bowls sold to date, the income, expenses and the overall excess of income over expenses as well as the value of the current inventory. Bowl sales lag those of a year ago and it is not anticipated that last year's volume will be reached. Recently we have terminated our relationship with the Jareen Company and henceforth we will furnish bowls to non-grocery outlets. For instance, we have agreed to furnish bowls to the Joan Cook Company who will include it in their catalog which has a mailing list of 18 million.

ASSESSMENT RATES

These per-lug assessment rates have been recommended: Plums, 16¢; Peaches, 15¢; Nectarines, 15¢. The Plum Committee has elected not to increase its rate despite or perhaps because of the much reduced crop. This will require cutting market development costs by more than 50%, considered appropriate with supplies at 40% of last year. Peaches and nectarines, looking at respectable volume and remembering low 1981 prices, have increased their rates by 2 1/2¢. The Peach Market Development budget is actually increased over last year's and nectarine expenditures lag 1981 by only 12%.

All three fruits entered the fiscal period with good carryins (shown at the top of each budget.) The rates chosen at the volumes shown under Inspection will reduce the 1983 plum carryin from \$384,806 on 3/1/82 to \$98,166 on 3/1/83; peaches from \$273,320 to \$211,188;

nectarines from \$297,759 to \$149,237. These sums should be sufficient to launch the 1983 programs.

ORIGINAL SIGNED BY

/s/ GALEN GELLER
GALEN GELLER, MANAGER
California Tree Fruit
Agreement
701 Fulton Avenue
Sacramento, CA 95825

May 18, 1982

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE

Date: May 24, 1982

To: William Doyle, Acting Chief, Fruit
Branch Fruit and Vegetable Division,
AMS, USDA

From: G. P. Muck, Field Representative
Sacramento Marketing Field Office

Subject: 1982-83 Stone Fruit Budgets

Enclosed is a copy of the 1982-83 budget for peaches, plums and nectarines, as well as documents relating thereto. The budgets were approved by the three commodity committees in Fresno earlier this month. A three-page budget statement dated May 18, 1982, prepared by CTFA Manager Galen Geller, is also enclosed.

The CTFA budget process is a lengthy one. Prior to final adoption, a number of preliminary meetings are held. This year these included meetings of the Stone Fruit Subcommittee on Promotion and Research March 3 and April 14, Management Services May 4, a Joint Meeting for Promotion and Research May 5 and finally the Peach, Nectarine and Plum Committee meetings held May 5-6. Minutes of all the May meetings are being sent under separate cover. You

already have in hand minutes of the Stone Fruit Subcommittee meetings of March and April.

Management Services, at its May 4 meeting, recommended rehiring Manager Geller and allocated joint expenses among all programs managed at 701 Fulton Avenue, Sacramento. These programs include peaches, plums, nectarines and pears, as well as a State Marketing Order for Canning Pears. The allocations recommended by Management Services are shown on the enclosed sheet entitled "Proposed Allocation of Joint Expenses Among Programs for 1982-82 Compared with Prior Years".

A total of nine research projects are to be funded by CTFA during the 1982-83 fiscal year. Total cost of the nine projects is \$82,310. Project proposals are enclosed. Please note some of the proposals show greater dollar amounts than the amount approved by each committee. The Subcommittee for Promotion and Research considered project proposals on March 3, and some projects were not given all the funds requested. See the reverse side of each commodity committee budget for the dollars allocated to each research project. In Manager Geller's transmittal, he indicates that before Gordon Mitchell's project proposal for work on Fruit Tolerance to Alternate Insect Quarantine Treatments is undertaken, Mitchell will submit a proposal in greater detail. This should not be cause to defer approval of the project at this time, as all three committees are vitally concerned about alternative methods of insect eradication (Medfly) to the use of Methyl Bromide and EDB. It is also to be noted that the project of Dr. Kirby Moulton, UC Cooperative Extension, Berkeley, for a survey

of marketing prospects in Pacific Rim Countries started last year (FY 81-82) will be completed this year. As Manager Geller indicates, Moulton surveyed Japan in 1981 and this year will look at Taiwan, Hong Kong and Singapore. The total project cost is \$12,500, half expended last year with the balance of \$6,250 to be spent this year shared equally by plums and nectarines. The proposal enclosed is the original 1981 proposal with an amended Memorandum of Agreement showing the work which will be conducted this season.

Inspection costs are a significant element of stone fruit budgets. Costs are expected to show marked increases this season, due in part to weather damage and smaller than normal crops. Management has budgeted 9.1 cents per lug for plum inspection, almost double the 4.88 cents expended last season. The sharp increase in the cost of plum inspection is based on prospects of an extremely small and heavily damaged crop. 5.9 million packages are expected to be shipped this season, as compared to 1981 shipments of 13.8 million. Peach and nectarine inspection costs will also be increased, but not as dramatically.

Market development budgets for each of the stone fruits are enclosed. Direct market development expenditures for all three fruits total \$2,378,866, a decrease of almost \$900,000 from last year. Management does not show Ripening Bowl as part of committee market development budgets but as a separate budget item. Although plums and nectarines will spend less on market development, peaches increased their market development budget slightly. Plums will cut way back on their program, particularly in

television and radio advertisements where savings can be made by reducing schedule. On the other hand, peach and nectarine committees decided that additional expenditures for radio and TV time were essential to help sell their respective crops. Consequently, each decided to increase their assessment rates by 2 /12 cents to support such activities. See Manager Geller's comments on the overall market development program in his transmittal. Minutes of the Joint Meeting for Promotion and Research carry more detail concerning the 1982 market development budgets, as do minutes of the respective commodity committees.

The Peach Committee approved a budget totalling \$1,772,132 and a 15-cent per lug assessment rate. This includes \$908,000 for market development (\$60,000 for Ripening Bowl included) and \$27,687 for research. The peach budget is based on shipments of 11 million lugs. The committee will utilize a portion of the \$273,320 March 1, 1982, carryin to operate during the year and estimates that on March 1, 1983, they will carry out \$211,188.

The Nectarine Committee adopted a budget of \$1,859,672 and an assessment rate of 15 cents per lug. The budget includes \$1,094,000 for market development (includes \$60,000 for Ripening Bowl) and \$30,812 for research. Nectarines carried into the fiscal year \$297,759. Based on estimated shipments of 11 million lugs, the committee expects its March 1, 1983, carry-out to be \$149,237.

Plums adopted a budget totaling \$1,226,640 and an assessment rate of 16 cents per lug. The total

includes a market development budget of \$556,000 (\$60,000 for Ripening Bowl included) and \$23,811 for research based on shipments of 5.5 million lugs (figure used for budget purposes). The committee plans on utilizing a good portion of the \$384,806 it had on March 1, 1982. It estimates that the March 1, 1983, carryout will total \$98,166.

We concur with each committee's action on budgets, assessment rates, market development and research project proposals and recommend they be acted upon favorably.

/s/ signature illegible

Enclosures

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE

Date: July 6, 1982

To: William Doyle, Acting Chief, Fruit
Branch Fruit and Vegetable Division,
AMS, USDA

From: G. P. Muck, Field Representative
Sacramento Marketing Field Office

Subject: Pear Committee budget

At its June 29, 1982, meeting, the Pear Commodity Committee unanimously approved a budget totaling \$555,850. To finance this budget, the Committee recommended an assessment rate of 16 cents per carton. The committee anticipates shipments of 3236 cars of pears. Using 900 cartons per car and based on the proposed assessment rate, income of \$465,984 is anticipated. The Committee carried into the current fiscal year \$143,613 and expects to utilize some of these funds this year. On the surface, it would appear the drawdown of funds would be quite sizable; however since \$60,000 of the \$555,850 is budgeted for Ripening Bowl and will be offset by income from bowl sales plus miscellaneous income, the amount of carryout funds on March 1, 1983, is expected to be around \$120,000.

Enclosed is a copy of the 1982-83 Pear Commodity Committee budget as well as a market development

with attached market development report which describes proposed 1982-83 activities. Direct market development expenditures total \$417,166, which excludes the \$60,000 for Ripening Bowl noted in the first paragraph. Adding in this amount brings a total market development budget up to \$477,166.

We recommend approval of the budget and assessment rate as proposed. If you have any questions, please let me know.

/s/ signature illegible

Enclosures

FORM AMS-401 (4-3-72)

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE
WASHINGTON, D.C. 20250

Date:

To: Director, Fruit and Vegetable Division

From: William J. Doyle
Chief, Fruit Branch

Subject: M.O. 916 (California Nectarines) and
M.O. 917 (California Pears, Plums, and
Peaches) - Approval of Increase in
Expenditures for Market Development
and Research (1982-83 Season)

We recommend that you sign this memo which approves increased expenditures for market development and research for California nectarines, pears, plums, and peaches for the 1982-83 fiscal period. The administrative committees met in November and December of 1982 and unanimously recommended these increased expenditures. The increase was necessitated by underestimation of the expected crop by the committees for all four commodities (as illustrated).

<u>Commodity</u>	<u>Estimated*</u>	<u>Actual*</u>	<u>Percent Increase</u>
Nectarines	11.6 m.p.	14.3 m.p.	23
Pears	3,206 cars	4,765 cars	49
Plums	5.9 m.p.	8.6 m.p.	46
Peaches	11.3 m.p.	11.9 m.p.	5

* m.p. = million packages cars = railcars

Market development expenditures exceeded approved amounts in most categories, principally in trade communications, T.V. and radio production, and T.V. and radio time. In addition, the Pear Commodity Committee recommended a \$3,026 increase in its research budget to cover its share of a fumigation project sponsored jointly with the stone fruit committees. The following shows the approval amounts and the recommended increases.

<u>Committee</u>	<u>Approved Market Development</u>	<u>Recommended Increase</u>
Nectarine		
Administrative	\$1,094,000	\$ 66,000
Pear Commodity	477,166	162,834
Plum Commodity	703,600	38,400
Peach Commodity	<u>908,766</u>	<u>11,234</u>
Total	\$3,183,532	\$278,468

^{1/} Includes \$60,000 for fruit ripening bowls for *each* program.

<u>Committee</u>	<u>New Market Development</u>	<u>Total Market Development and Research</u>
Nectarine		
Administrative	\$1,160,000	\$1,190,812
Pear Commodity	640,000	643,026 ^{2/}
Plum Commodity	742,000	765,811
Peach Commodity	<u>920,000</u>	<u>947,687</u>
Total	\$3,462,000	\$3,547,336

^{2/} Includes \$3,026 in pear research budget.

With respect to peaches and plums, the total expenditures were within the previously approved budgets, thus, no additional action is required. With respect to pears and nectarines, the additional expenditures necessitated an increase in the previously approved budget (though no change in assessment rates was necessary). Appropriate action to increase the pear and nectarine budgets was published in the Federal Register on February 28, 1983.

Further information concerning the marketing development and research efforts are detailed in the attached committee minutes and correspondence.

Recommended: MAR __ 1983 Approved: MAR 09 1983

/s/ WILLIAM J. DOYLE
Chief, Fruit Branch
Fruit and Vegetable
Division
Agricultural Marketing
Service

/s/ D. S. KURYLOSKI
D. S. KURYLOSKI
Deputy Director
Fruit and Vegetable
Division
Agricultural Marketing
Service

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE
WASHINGTON, D.C. 20250

Date:

To: Director, Fruit and Vegetable Division

From: Fruit Branch

Subject: M.O. 916 (California Nectarines) and M.O. 917 (California Pears, Plums, and Peaches) - Approval of Market Development and Research (1982-83 Season)

We recommend that you sign this memo which approves market development and research for California nectarines, pears, plums, and peaches for the 1982-83 fiscal period. The administrative committees met in May, June, and July and recommended these expenditures. The following shows proposed 1982-83 season expenditures for market development and research for the individual committees:

<u>Committees</u>	<u>Market *</u> <u>Development</u>	<u>Research</u>	<u>Total</u>
Nectarine Administrative	\$1,094,000	\$30,812	\$1,124,812
Pear Commodity	477,166		477,166
Plum Commodity	703,600	23,811	727,411
Peach Commodity	<u>908,766</u>	<u>27,687</u>	<u>936,453</u>
Total	\$3,183,532	\$82,310	\$3,265,842

*Includes \$60,000 for fruit ripening bowls for each program.

Market Development

Total market development expenditures for 1982-83 are reduced from those last season. Much of this decrease reflects a scaling back of market development efforts, due to estimated reduced fruit crops this season. A comparison of estimated expenditures for this season compared with actual expenditures last season are shown on the following table.

<u>Commodity</u>	<u>Actual</u> <u>(1981-82)*</u>	<u>Estimated</u> <u>(1981-82)*</u>	<u>Difference</u>
Nectarines	\$1,222,971	\$1,094,000	-\$128,971
Pears	556,311	477,166	- 79,145
Plums	1,223,839	703,600	- 520,239
Peaches	<u>801,137</u>	<u>908,766</u>	<u>107,629</u>
Total	\$3,804,258	\$3,183,532	-\$620,735

*Includes fruit ripening bowl.

Marketing development activities will continue the joint California Summer Fruit promotional approach

developed over the past 10 years. The two major objectives are to (1) make consumers aware of the fruits' availability, characteristics, and uses, and (2) encourage in-store promotional activity.

The California Summer Fruits media campaign now calls for 15 weeks of nationwide network radio advertising; up to 14 weeks of spot television in up to 19 markets, as well as 13 weeks of advertising on one syndicated and one cable television program; and three full-page tie-in advertisements, each supported by in-store recipe distributions, in the June, July and August issues of 16 consumer magazines.

The 13-man Oregon-Washington-California Pear Bureau field staff has again been retained to disseminate crop and handling information, merchandise the advertising campaign, distribute point-of-sale materials and promote the California Summer Fruits ripening bowl. On the consumer publicity and education front, 65 different recipe-photo releases will be furnished to 750 newspapers. Efforts to secure increased editorial exposure in consumer magazines will also continue, as will efforts to encourage increased food-service use.

Further information concerning the marketing development efforts are shown on the following table, and detailed in the attached related material, including committee minutes and correspondence.

<u>Market Development</u>	<u>Nectarines</u>	<u>Pears</u>	<u>Plums</u>	<u>Peaches</u>	<u>Total</u>
Field Staff Activities	81,000	60,000	68,000	53,000	262,000
Retail Contests	15,000	17,500	15,000	7,500	55,000
Trade					
Communications	12,500	12,500	12,500	10,500	48,000
Other Retail Projects	7,500	7,500	7,500	7,500	30,000
POS Materials for 1981					
POS Materials for 1982	33,000	18,000	33,000	20,000	104,000
Publicity, Education Activities	40,000	40,000	40,000	40,000	160,000
Foodservice Activities	13,000	8,666	13,000	8,666	43,332
Magazine Tie-ins	114,000	22,000	114,000	80,000	330,000
TV, Radio Production for 1982	16,000	13,500	16,000	16,000	61,500
TV, Radio Time	694,500	210,000	317,100	598,100	1,819,700
Miscellaneous Activities	7,500	7,500	7,500	7,500	30,000
Total	1,034,000	417,166	643,600	848,766	2,943,532
Ripening Bowl	60,000	60,000	60,000	60,000	240,000
Grand Total	1,094,000	477,166	703,600	908,766	3,183,532

Research

Expenditures of \$82,310 are allocated for research activities for 9 research projects for plums, peaches and nectarines, which are attached. The following table compares 1982-83 estimated research expenditures, with actual 1981-82 expenditures. Attached is a table which lists the research projects and cost allocation among commodities, as well as total costs for

all projects. The attached project outlines contain further details relating project activities.

<u>Commodity</u>	<u>Actual (1981-82)</u>	<u>Estimated (1982-83)</u>	<u>Difference</u>
Nectarines	25,952	30,812	4,860
Plums 18,095	23,811	5,716	
Peaches	<u>17,409</u>	<u>27,687</u>	<u>10,278</u>
	61,456	82,310	20,854

Recommended: OCT 12 1982 Approved: 12 OCT 1982

/s/ WILLIAM J. DOYLE
Acting, Chief, Fruit
Branch
Fruit and Vegetable
Division
Agricultural Marketing
Service

/s/ D. S. KURYLOSKI
D. S. KURYLOSKI
Deputy Director
Fruit and Vegetable
Division
Agricultural Marketing
Service

Federal Register
Vol. 47, No. 153
Monday, August 9, 1982

[p. 34,351]

DEPARTMENT OF AGRICULTURE

* * * * *

7 CFR Parts 911, 915, 916, 917, 918, 919, 921, 922, 923, 924, 930, 945, 946, 947, 948, 953, 958, 967, 985, and 993

Expenses and Rates of Assessment for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

[p. 34,352]

SUMMARY: This regulation authorizes expenses of the committees functioning under Marketing Orders 911, 915, 916, 917, 918, 919, 921, 922, 923, 924, 930, 945, 946, 947, 948, 953, 958, 967, 985, and 993. Funds to administer these programs are derived from assessments on handlers of the fruits, vegetables and specialty crops regulated under the orders.

* * * * *

SUPPLEMENTARY INFORMATION: This rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been designated a "nonmajor" rule. William T. Manley, Deputy

Administrator, Agricultural Marketing Service, has determined that this action will not have a significant economic impact on a substantial number of small entities because it would not significantly affect costs for the directly regulated handlers.

These marketing orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). These actions are based upon the recommendations and information submitted by each committee, established under the respective marketing order, and upon other information. It is found that the expenses and rates of assessment, as hereinafter provided, will tend to effectuate the declared policy of the act.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rulemaking and good cause exists for not postponing the effective date until 30 days after publication in the Federal Register (5 U.S.C. 553). Each order requires that the rate of assessment for a particular fiscal period shall apply to all assessable fruits, vegetables, and specialty crops handled from the beginning of such period. To enable the committees to meet current fiscal obligations, approval of the expenses is necessary without delay. It is necessary to effectuate the declared policy of the act to make these provisions effective as specified, and handlers have been apprised of such provisions, and the effective time.

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.221 Expenses and assessment rate.

Expenses of \$1,859,672 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.15 per No. 22D standard lug box of nectarines is established for the fiscal year ending February 28, 1983; and unexpended funds may be carried over from the fiscal year ending February 28, 1982.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

* * * * *

§ 917.233 Expenses and assessment rate.

Expenses of \$1,646,640 by the Plum Commodity Committee are authorized, and an assessment rate of \$0.16 per No. 22D standard lug box of plums is established for the fiscal year ending February 28, 1983; and unexpended funds may be carried over from the fiscal year ending February 28, 1982.

§ 917.234 Expenses and assessment rate.

Expenses of \$1,772,132 by the Peach Commodity Committee are authorized, and an assessment rate of \$0.15 per No. 22D standard lug box of peaches is established for the fiscal year ending February 28, 1983; and unexpended funds may be carried over from the fiscal year ending February 28, 1982.

PART 918—FRESH PEACHES GROWN IN GEORGIA

§ 918.219 Expenses and assessment rate.

Expenses of \$18,600 by the Industry Committee are authorized, and an assessment rate of \$0.01 per bushel of peaches is established for the fiscal period ending February 28, 1983.

PART 919—PEACHES GROWN IN MESA COUNTY, COLORADO

§ 919.221 Expenses and assessment rate.

Expenses of \$1,000 by the Administrative Committee are authorized, and an assessment rate of \$0.01 per bushel of peaches is established for the fiscal year ending June 30, 1983.

PART 921—FRESH PEACHES GROWN IN DESIGNATED COUNTRIES IN WASHINGTON

§ 921.221 Expenses and assessment rate.

Expenses of \$17,078.50 by the Washington Fresh Peach Marketing Committee are authorized, and an assessment rate of \$2.00 per ton of peaches is established for the fiscal year ending March 31, 1983; and unexpended funds from the fiscal year ended March 31, 1982, shall be carried over as a reserve.

* * * * *

Federal Register
Vol. 48, No. 40
Monday, February 28, 1983

[p. 8255]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 904, 916, and 917

Expenses and Rates of Assessment for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This regulation authorizes expenses of the California Grapefruit Administrative Committee functioning under Marketing Order 904 and increases expenses of the Nectarine Administrative and Pear Commodity Committees functioning under Marketing Orders 916 and 917, respectively. Funds to administer these programs are derived from assessments on handlers regulated under the orders.

* * * * *

SUPPLEMENTARY INFORMATION: This rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been classified a "non-major" rule. William T. Manley, Deputy Administrator, Agricultural Marketing Serv-

ice, has certified that this action will not have a significant economic impact on a substantial number of small entities because it would not measurably affect costs for the directly regulated handlers.

These marketing orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). These actions are based upon the recommendations and information submitted by the Committees established under their respective marketing orders, and upon other information. It is found that the expenses and rates of assessment, as hereinafter provided, will tend to effectuate the declared policy of the Act.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rulemaking and good cause exists for not postponing the effective date until 30 days after publication in the Federal Register (5 U.S.C. 553). The orders require that the rates of assessment for a particular fiscal period shall apply to all assessable fruit handled from the beginning of such period. To enable the committees to meet current fiscal obligations, approval of the expenses is necessary without delay. It is necessary to effectuate the declared policy of the Act to make these provisions effective as specified, and handlers have been apprised of such provisions, and the effective time.

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.221 Expenses and assessment rate.

Expenses of \$2,000,000 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.15 per No. 22D standard lug box of nectarines is established for the fiscal year ending February 28, 1983; and unexpended funds may be carried over from the fiscal year ended February 28, 1982.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.232 Expenses and assessment rate.

Expenses of \$718,684 by the Pear Commodity Committee are authorized, and an assessment rate of \$0.16 per No. 29B special lug box of pears is established for the fiscal year ending February 28, 1983.

* * * * *

Dated: February 22, 1983.

* * * * *

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE

To: Director, Fruit and Vegetable Division

From: William J. Doyle
Chief, Fruit Branch

Subject: M.O. 916 (CA Nectarines) and M.O. 917
(CA Pears, Plums, and Peaches)
Approval of Market Development and
Research - 1983-84 Season

We recommend that you sign this memo which approves market development and research for California nectarines, pears, plums and peaches for the 1983-84 fiscal period. The administrative committees met in May and July and recommended these expenditures. The following table shows proposed 1983-84 season budgeted expenditures for market development and research for the individual committees:

<u>Committee</u>	<u>Market Development*</u>	<u>Research</u>	<u>TOTAL</u>
Nectarine			
Administrative	\$1,711,500	\$35,012	\$1,746,512
Pear Commodity	712,500	11,000	723,500
Plum Commodity	1,388,500	31,263	1,419,763
Peach Commodity	1,052,500	31,217	1,083,717
TOTAL	\$4,865,000	\$108,492	\$4,973,492

*Includes \$60,000 for fruit ripening bowl for each program.

Total budgeted market development expenditures for 1983-84 are increased from last season due to estimated increased fruit crops this season. The following table compares this year's budgeted expenditures with last year's actual expenditures:

<u>Commodity</u>	<u>Actual Expenditures 1982-83*</u>	<u>Budgeted Expenditures 1983-84*</u>	<u>Difference</u>
Nectarines	\$1,161,546	\$1,711,500	\$ 549,954
Pears	641,087	712,500	71,413
Plums	752,372	1,388,500	636,128
Peaches	914,641	1,052,500	137,859
TOTAL	\$3,469,646	\$4,865,000	\$1,395,354

*Includes \$60,000 for fruit ripening bowl for each program.

The California Summer Fruits media campaign presently calls for six weeks of national cable and syndicated television; 14 weeks of spot television in New York, Los Angeles, and Chicago; six weeks of national network radio; and up to eight weeks of spot radio in 10 U.S. markets and Montreal and Toronto. California Bartletts will appear in tie-in advertisements in the July issues of four consumer magazines.

The Oregon-Washington-California Pear Bureau field staff has again been retained to disseminate crop and handling information, merchandise the advertising campaign, distribute point-of-sale materials, and promote the California Summer Fruits ripening bowl.

The consumer publicity program will be directed by the CTFA staff and will include the release of 18 recipe-photo features to 750 newspapers, and con-

tinued efforts to secure increased editorial exposure in consumer magazines. Also being released is a new colormat feature developed in cooperation with the Avocado and Iceberg Lettuce Commissions.

The following table shows detailed market development expenditure items for the individual commodities (all figures shown in dollars):

<u>Item</u>	<u>Nectarines</u>	<u>Pears</u>
Field Staff Activities	\$ 84,000	\$ 60,000
Retail Advertising Incentives	75,000	40,000
Trade Communications	25,000	25,000
POS Materials-1983	38,000	20,000
Other Retail Activities	17,500	17,500
Publicity, Education Activities	40,000	40,000
Magazine Tie-ins	62,000	25,000
Foodservice Activities	15,000	10,000
TV, Radio Production for 1983	65,000	35,000
TV Time for 1983	700,000	175,000
Radio Time for 1983	500,000	175,000
Promotional Research	17,500	17,500
Miscellaneous Activities	12,500	12,500
TOTAL	1,651,500	652,500
Ripening Bowl	60,000	60,000
GRAND TOTAL	1,711,500	712,500

<u>Item</u>	<u>Plums</u>	<u>Peaches</u>	<u>TOTAL</u>
Field Staff Activities	\$ 71,000	\$56,000	\$ 271,000
Retail Advertising Incentives	75,000	50,000	240,000
Trade Communications	25,000	25,000	100,000
POS Materials-1983	38,000	25,000	121,000
Other Retail Activities	17,500	17,500	70,000
Publicity, Education Activities	40,000	40,000	160,000
Magazine Tie-ins	62,000	44,000	193,000
Foodservice Activities	15,000	10,000	50,000
TV, Radio Production for 1983	55,000	45,000	200,000
TV Time for 1983	525,000	375,000	1,775,000
Radio Time for 1983	375,000	275,000	1,325,000
Promotional Research	17,500	17,500	70,000
Miscellaneous Activities	12,500	12,500	50,000
TOTAL	1,328,500	992,500	4,625,000
Ripening Bowl	60,000	60,000	240,000
GRAND TOTAL	1,388,500	1,052,500	4,865,000

Expenditures of \$108,492 are allocated for 11 research projects for nectarines, pears, plums and peaches. The accompanying project outline details cost allocation among commodities as well as total costs for all projects.

Recommended: AUG 2 1983 Approved: AUG 2 1983

/s/ WILLIAM J. DOYLE
Chief, Fruit Branch
Fruit and Vegetable
Division

/s/ D. S. KURYLOSKI
D. S. KURYLOSKI
Deputy Director
Fruit and Vegetable
Division

Federal Register
Vol. 48, No. 151
Thursday, August 4, 1983

[p. 35,345]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

* * * * *

7 CFR Parts 915, 916, 917, 921, 922, 924, 926, 930, 945, 946, 947, 948, 953, 958, 967, 982, 985, and 993

Expenses and Rates of Assessment for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This regulation authorizes expenses of the committees functioning under Marketing Orders 915, 916, 917, 921, 922, 924, 926, 930, 945, 946, 947, 948, 953, 958, 967, 982, 985, and 993. Funds to administer these programs are derived from assessments on handlers of the fruits, vegetables and specialty crops regulated under the orders.

* * * * *

SUPPLEMENTARY INFORMATION: This rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been designated a "nonmajor" rule. William T. Manley, Deputy Admin-

istrator, Agricultural Marketing Service, has certified that this action will not have a significant economic impact on a substantial number of small entities because it would not significantly affect costs for the directly regulated handlers.

These marketing orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). These actions are based [p. 35,346] upon the recommendations and information submitted by each committee, established under the respective marketing order, and upon other information. It is found that the expenses and rates of assessment, as hereinafter provided, will tend to effectuate the declared policy of the act.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rulemaking and good cause exists for not postponing the effective date until 30 days after publication in the Federal Register (5 U.S.C. 553). Each order requires that the rate of assessment for a particular fiscal period shall apply to all assessable fruits, vegetables, and specialty crops handled from the beginning of such period. To enable the committees to meet current fiscal obligations, approval of the expenses is necessary without delay. It is necessary to effectuate the declared policy of the act to make these provisions effective as specified, and handlers have been apprised of such provisions, and the effective time.

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.222 Expenses and assessment rate.

Expenses of \$2,624,058 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.13 per No. 22D standard lug box of nectarines is established for the fiscal year ending February 29, 1984. Unexpended funds may be carried over as a reserve.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

* * * * *

§ 917.236 Expenses and assessment rate.

Expenses of \$2,334,786 by the Plum Commodity Committee are authorized, and an assessment rate of \$0.16 per No. 22D standard lug box of plums is established for the fiscal year ending February 29, 1984; and unexpended funds may be carried over as a reserve.

§ 917.237 Expenses and assessment rate.

Expenses of \$1,955,740 by the Peach Commodity Committee are authorized, and an assessment rate of \$0.125 per No. 22D standard lug box of peaches is established for the fiscal year ending February 29, 1984; and unexpended funds may be carried over as a reserve.

PART 921—FRESH PEACHES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

§ 921.222 Expenses and assessment rate.

Expenses of \$21,208.75 by the Washington Fresh Peach Marketing Committee are authorized, and an assessment rate of \$2.20 per ton of peaches is established for the fiscal year ending March 31, 1984; and unexpended funds may be carried over as a reserve.

* * * * *

1984-1985 CALIFORNIA STONE FRUIT BUDGETS

Peach Commodity Committee
Plum Commodity Committee
Nectarine Administrative Committee

This is to forward the fiscal year 1984-1985 budgets for California peaches, plums and nectarines. The following supporting documents are enclosed:

1. Proposed Allocation of Joint Expenses Among Programs for 1984-1985
2. Individual Budgets with attachments
3. Research Proposals
4. Ripening Bowl Sales Recap

JOINT EXPENDITURE ALLOCATION

Total joint expenditures for 1984-1985 are budgeted at \$683,700, up 14% from last year's \$600,413. This increase results from the addition of compliance personnel in our Dinuba office, the hiring of additional seasonal personnel in the Sacramento area, salary increases, rent increases for both the Sacramento and Dinuba offices and general overhead increases.

Compliance activities this year will again include unannounced visits by CTFA field agents at packing-houses and fruit stands to enforce Federal Marketing Order regulations. Controlled buys from suspected violators which are expensive but effective will also

continue. Last year six cases involving violations of CTFA regulations were successfully litigated due in part to a new procedure of direct referral of complaints from the USDA Regional Attorney to the nearest U.S. Attorney's office.

No changes were made in the allocation percentages from last year. The total for all joint expenses is as follows:

Plums	22.5%
Peaches	22.5%
Nectarines	23.0%
Fresh Pears	12.0%
Pear Zone	20.0%

These percentages will be closely monitored during the year to see if staffing and program changes will necessitate adjustments in the allocation percentages for 1985-1986.

Primary expenses not jointly allocated by these percentages are research, inspection and market development which are outlined in the following sections.

RESEARCH

Eight research projects have been approved for the stone fruits with other projects likely to be approved in June for pears. The stone fruit research projects are listed on the reverse of each budget sheet and total \$131,550. Four of these projects represent continuations from last year while the following four are new: Postharvest studies of stone fruits (Kader/Mitchell), Evaluation of postharvesting han-

dling injuries of stone fruits (Mitchell), Controlled atmosphere for postharvest insect control and insects on tree fruits (Harvey) and fumigation schedules against [four illegible words] fruit flies (Harvey). [Illegible] no further work is planned. Survey of Marketing opportunities in Pacific Rim countries (Moulton), the balance of the 1983 budget has been carried over to cover the final project billing.

INSPECTION

Shipping Point Inspection has provided the estimated costs for 1984-1985 shown below. Per-container inspection costs are up for all three stone fruits, most significant for nectarines and peaches where crops are expected to be smaller than last year.

	Actual 1983-1984	Estimated 1984-1985
Plums	.05928	.06150
Peaches	.05306	.06100
Nectarines	.04355	.05200

MARKET DEVELOPMENT

However improved the general economy, the 1984 deciduous marketing season is not likely to be an easy one. Hence, direct California Summer Fruits® promotional expenditures totaling nearly \$5 million are contemplated. The budgeted nectarine outlay is \$1,763,500, the plum \$1,436,500 and the peach \$1,115,000. Subcommittee evaluation of a trial budget for fresh pears totaling \$643,500 is scheduled for May 30.

The lion's share—currently some \$3.8 million—is earmarked for television, radio in Los Angeles, outdoor advertising commencing as regards the stone fruits on May [] and continuing for 18 weeks through September 23. Of logistical necessity, 18 weeks of national network radio, 6 to 18 weeks of national network television, 16 to 18 weeks of nationally syndicated television and 7 to 18 weeks of cable television have already been purchased. The radio networks to be employed are ABC, CBS, NBC, RKO II and [] newly organized United Stations. The network television line-up includes ABC's "Good Morning America" for 6 weeks, NBC's "Today Show" for 6 weeks and for 18 weeks, daily newsbreaks on CBS. The syndicated programs are two—"Hour Magazine" for 16 weeks an "Morning Stretch" for 18 weeks. The cable effort involves 18 weeks on "Weather [illegible]" and 7 weeks on "Fresh Ideas."

As well, depending on audience efficiency, spot television and spot radio schedules have been arranged in 27 top U.S. markets. In Los Angeles, where the Olympic Games have blasted summer television costs into orbit, the principal local effort will be a combination of spot radio and outdoor advertising. To the North, 9 weeks of cable television are planned in Toronto and 6 weeks of radio in Montreal and Vancouver.

Length of network radio messages will be 30 seconds, of spot radio advertisements [illegible] seconds of television commercials either 30 or 10 seconds. A study of the o[illegible] radio combination's effectiveness will be conducted in Los Angeles against the possibility of future outdoor activity in

Dallas, Houston, Chicago and similar markets [illegible] should also be noted, before turning to matters other than advertising, that California Summer Fruits® is now a registered CTFA trademark, as well as service mark.

Given the success of last season's retail advertising incentive program, "The Second Annual California Summer Fruits® No-Contest Contest" has been announced. The off[illegible] extended to all known key trade factors with retail advertising authority, again [illegible] down to this: the more you advertise California peaches, plums and nectarines, the more dominant those ads and the more stores those ads cover, the more awards you [illegible]. A similar program will also be tried for the first time in major Canadian markets.

As in '83, pushing the No-Contest Contest will be an important responsibility of the eleven-man California Summer Fruits® field staff. Other major field staff duties will include disseminating crop, handling, display and ripening information, merchandising the advertising campaign, promoting the California Fruit Ripening Bowl and distributing point-of-sale materials. A new 18-piece line of POS has been developed for 1984 and includes price cards in Spanish and French, tried with some success a year ago, and two new bin strips featuring the California Summer Fruits® trademark logo. Supervision of the field staff in all activities funded entirely by California will again be handled by the CTFA office.

Supervision of the food-page publicity and consumer education programs will also remain an "in-house"

business. The former activity will involve the release the some 60 different color and black-and-white stone fruit recipe-photo features to some 750 newspapers, along with continued efforts to secure exposure in consumer magazines. A highlight of the latter will be of introduction of a new 48-page, 4-color California Summer Fruits® cookbook.

As for trade educational activities, the California Summer Fruits® retail training presentation will continue to be offered. This presentation, some 550 of which have thus far been furnished trade executives with training responsibilities, consists of 80 individual 35mm color slides, pre-inserted in a standard carousel; a cassette tape incorporating on one side audible "beeps" for manual use, on the other inaudible "beeps" for automatic equipment; and a complete script keyed for manual use. Another noteworthy trade venture is the release of a new kit of retailer advertising aids consisting of 20 color transparencies, 10 repro sheets of original line art and 6 sheets of suggested ad headings in various type sizes and styles. Some trade advertising has also been arranged and a detailed advertising and promotion guide presented to key factors. Variety charts, now aimed expressly at retailers, are likewise being distributed.

On the foodservice front, a survey conducted last season indicated that opportunities exist where California Summer Fruits® can be sold unprepared or prepared as ordered and where menu listing is not a lead-time problem. Ways professionals in the field propose to exploit these have been evaluated and two professional consultants retained. At this point, plans include a concentrated test market effort and

accelerated distribution of existing quantity recipe cards and other materials.

RIPENING BOWL

A recap of ripening bowl sales through April 30, 1984, is attached. Since the bowl was developed the excess of income over expenses is \$279,764. While the bowl continues to be an effective promotion device, sales have steadily declined in recent years. A new full-color display carton has been developed and will be introduced this season in an attempt to rejuvenate sales.

ASSESSMENT RATES

The following per-lug assessment rates have been recommended: Plums, 17¢; Peaches, 14¢; Nectarines, 18¢; Pears have not yet met. These rates are designed to carry out the 1984-1985 programs and to provide enough money at the end of the fiscal year to finance 1985-1986 programs until assessments are forthcoming from that year. Approximately \$150,000 per commodity is needed as of March 1.

/s/ RICHARD L. PETERSON
RICHARD L. PETERSON
President
California Tree Fruit
Agreement
701 Fulton Avenue
Sacramento, CA 95825

May 25, 1985

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE
WASHINGTON, D.C. 20250

To: Director, Fruit and Vegetable Division
From: William J. Doyle
Chief, Fruit Branch
Subject: M.O. 916 (CA Nectarines) and M.O. 917
(CA Pears, Plums, and Peaches) Ap-
proval of Market Development and Re-
search-1984-85 Season

We recommend that you sign this memo which approves market development and research for California nectarines, pears, plums and peaches for the 1984-85 fiscal period. The administrative committees met in May and June and recommended these expenditures. The following table shows proposed 1984-85 season budgeted expenditures for market development and research for the individual committees:

Committee	Market Development*	Research	TOTAL
Nectarine			
Administrative	\$ 1,823,500	\$ 44,891	\$ 1,868,391
Pear	703,500	15,000	718,500
Commodity			
Plum	1,496,500	43,142	1,539,642
Commodity			
Peach	1,175,000	43,517	1,218,517
Commodity			
<hr/>			
TOTAL	\$ 5,208,500	\$ 146,550	\$ 5,345,050

* Includes \$60,000 for fruit ripening bowl for each program

Total budgeted market development expenditures for 1984-85 are increased from last season due to an estimated five percent increase in the fruit crops this season. The following table compares this year's budgeted expenditures for market development with last year's actual expenditures.

FORM AMS-400 (6-81)

Commodity	Actual Expenditures 1983-84*	Budgeted Expenditures 1984-85*	Increase
Nectarines	\$1,461,223	\$1,823,500	\$362,277
Pear	478,750	703,500	224,750
Plums	1,194,174	1,496,500	302,326
Peaches	975,227	1,175,000	199,773
<hr/>			
TOTAL	\$ 4,109,374	\$ 5,198,500	\$ 1,089,126

* Includes \$60,000 for fruit ripening bowl for each program

The California Summer Fruits media campaign presently calls for up to 18 weeks of national network, cable, and syndicated television; 18 weeks of national network radio; and up to 13 weeks of spot television and radio in 28 U.S. markets and in Montreal, Toronto, and Vancouver. Outdoor advertising, such as billboards, has replaced magazine tie-ins in this year's budget. In Los Angeles, where the Olympic Games have increased summer television costs significantly, the primary promotion effort will consist of a combination of radio and outdoor advertising. The effectiveness of this approach will be analyzed. If it is successful, outdoor advertising may be used in Dallas, Houston, Chicago, and similar markets in the future. It should also be

noted that "California Summer Fruits" is now a registered trade mark.

The Oregon-Washington-California Pear Bureau field staff has again been retained to disseminate crop and handling information, merchandise the advertising campaign, distribute point-of-sale materials, and promote the California Summer Fruits ripening bowl.

The consumer publicity program will be directed by the CTFA staff and will include the release of 66 features and photographs to 750 metropolitan newspapers and 200 smaller periodicals. Efforts will continue to secure increased editorial exposure in six national consumer magazines. A new, full-color, 48-page cookbook will be released to retailers as well as packed inside ripening bowls.

The following table shows detailed market development expenditure items for the individual commodities for 1984:

Item	:Nectarines	:Pears	:Plums	:Peaches	:TOTAL
Field Staff					
Activities	:\$81,500	:\$60,000	:\$69,500	:\$53,000	:\$264,000
	:	:	:	:	:
Retail Advertising					
Incentives	: 85,000	: 35,000	: 80,000	: 75,000	: 275,000
	:	:	:	:	:

Trade Communications	:25,000	:35,000	:25,000	:25,000	:110,000
	:	:	:	:	:
POS					
Materials	:41,500	:21,500	:41,500	:30,000	:134,500
	:	:	:	:	:
Other Retail Activities	:10,000	:10,000	:10,000	:10,000	:40,000
	:	:	:	:	:
	:10,000	:10,000	:10,000	:10,000	:40,000
	:	:	:	:	:
Publicity, Education					
Activities	:35,000	:35,000	:35,000	:35,000	:140,000
	:	:	:	:	:
Foodservice					
Activities	:25,500	:17,000	:25,500	:17,000	: 85,000
	:	:	:	:	:
Outdoor Advertising	:50,000	:5,000	:50,000	:50,000	:155,000
	:	:	:	:	:
Television, Radio					
Production	:80,000	:50,000	:75,000	:60,000	:265,000
	:	:	:	:	:
Television Time	:705,000	:200,000	:555,000	:420,000	:1,880,000
	:	:	:	:	:
Radio Time	:605,000	:155,000	:450,000	:320,000	:1,530,000
	:	:	:	:	:
Promotional					
Research	: 7,500	: 7,500	: 7,500	: 7,500	: 30,000
	:	:	:	:	:

Miscellaneous

Activities : 12,500 : 12,500 : 12,500 : 12,500 : 50,000

TOTAL :1,763,500 :643,500 :1,436,500:1,115,000:4,958,500

Ripening

Bowl : 60,000 : 60,000 : 60,000: 60,000: 240,000

GRAND

TOTAL :\$1,823,500 :\$703,500:\$1,496,500:\$1,175,000 -
: \$5,198,500

Expenditures of 146,550 are allocated for nine research projects for nectarines, pears, plums, and peaches. Project outlines detailing cost allocation among commodities as well as total costs for all research projects are attached.

Recommended: JUL 3 1984 Approved: AUG 09 1984

/s/ WILLIAM J. DOYLE /s/ THOMAS R. CLARK
Chief, Fruit Branch Deputy Director
Fruit and Vegetable Fruit and Vegetable
Division Division

Federal Register

Vol. 49, No. 158

Tuesday, August 14, 1984

[p. 32,323]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 911, 915, 916, 917, 918, 921, 922, 923, 924, 925, 928, 945, 946, 947, 948, 953, 958, 967, 982, 985, and 993

Expenses and Assessment Rates for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule authorizes expenditures and establishes assessment rates under Marketing Orders 911, 915, 916, 917, 918, 921, 922, 923, 924, 945, 946, 947, 948, 953, 958, 967, 982, 985, and 993 for the 1984-85 fiscal year, under Marketing Order 925 for the 1983-84 fiscal year, Marketing Order 928 for the 1984 fiscal year. Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been

designated a "non-major" rule. William T. Manley, Deputy Administrator, Agricultural Marketing Service, has certified that these actions will not have a significant economic impact on a substantial number of small entities.

These marketing orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). These actions are based upon the recommendations and information submitted by each committee, established under the respective marketing orders, and upon other information.

Accordingly, the Secretary finds that upon good cause shown it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in other public procedures, and postpone the effective dates until 30 days after publication in the Federal Register (5 U.S.C. 553). Each order requires that the assessment rate for a particular fiscal year shall apply to all assessable commodities handled from the beginning of such year. To enable the committees to meet current fiscal obligations, approval of the expenses is necessary without delay. Handlers have been apprised of the provisions and effective dates specified in this final rule. It is found that the specified expenses and assessment rates will tend to effectuate the declared policy of the Act.

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.223 Expenses and assessment rate.

Expenses of \$2,775,965 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.18 per No. 22D standard lug box of nectarines is established for the fiscal year ending February 28, 1985.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.238 Expenses and assessment rate.

Expenses of \$2,580,211 by the Plum Commodity Committee are authorized, and an assessment rate of \$0.17 per No. 22D standard lug box of plums is established for the fiscal year ending February 28, 1985.

§ 917.239 Expenses and assessment rate.

Expenses of \$2,190,086 by the Peach Commodity Committee are authorized, and an assessment rate of \$0.14 per No. 22D standard lug box of peaches is established for the fiscal year ending February 28, 1985.

* * * * *

[p. 32,324]

PART 918—FRESH PEACHES GROWN IN GEORGIA

§ 918.221 Expenses and assessment rate.

Expenses of \$20,888 by the Industry Committee are authorized, and an assessment of \$0.01 per bushel of peaches is established for the fiscal year ending February 28, 1985.

PART 921—FRESH PEACHES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

§ 921.223 Expenses and assessment rate.

Expenses of \$23,393 by the Washington Fresh Peach Marketing Committee are authorized, and an assessment rate of \$2.00 per ton of peaches is established for the fiscal year ending March 31, 1985. Unexpended funds may be carried over as a reserve.

* * * * *

Federal Register
Vol. 50, No. 2
Thursday, January 3, 1985

[p. 231]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 905, 907, 908, 912, 913, 917, 928, and 932

Expenses and Rates of Assessment for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This regulation authorizes expenditures and establishes assessment rates under Marketing Orders 905, 907, 908, 912, 913, 917, 928, and 932. In addition, this regulation increases the 1984 fiscal year budget for California olives, and the 1984-85 budget for California plums. Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been designated a "non-major" rule. William T. Manley,

Acting Administrator, Agricultural Marketing Service, has certified that these actions will not have a significant economic impact on a substantial number of small entities because they would not measurably affect costs for the directly regulated handlers

These marketing orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). These actions are based upon recommendations and information submitted by each committee, established under the respective marketing orders, and upon other information. It is found that the expenses and rates of assessment, as hereinafter provided, will tend to effectuate the declared policy of the act.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rulemaking, and good cause exists for not postponing the effective dates until 30 days after publication in the Federal Register (5 U.S.C. 553). Each order requires that the rate of assessment for a particular fiscal period shall apply to all assessable commodities handled from the beginning of such period. To enable the committees to meet current fiscal obligations, approval of the expenses and rates of assessment is necessary without delay. It is necessary to effectuate the declared policy of the act to make these provisions effective as specified, and handlers have been apprised of such provisions and the effective dates.

* * * * *

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.238 Expenses and Assessment rate.

Expenses of \$2,710,081 by the Plum Commodity Committee are authorized, and an assessment rate of \$0.17 per No. 22 D standard lug box of plums is authorized for the fiscal year ending February 28, 1985.

[August 27, 1986]

To: Director, Fruit and Vegetable Division

From: Acting Chief, Marketing Order
Administration Branch

Subject: M.O. 916 (CA Nectarines) and M.O. 917
(CA Pears, Plums, and Peaches)
Approval of Market Development and
Research - 1985-86 Season

We recommend that you sign this memo which approves market development and research for California nectarines, pears, plums and peaches for the 1985-86 fiscal period. The administrative committees met earlier this year to recommend these expenditures. The Peach Commodity Committee, the Nectarine Administrative Committee, and the Pear Commodity Committee recently submitted revisions which are reflected in the tables below.

The following table shows proposed 1985-86 season budgeted expenditures for market development and research for the individual committees:

<u>Committee</u>	<u>Market Development*</u>	<u>Research</u>	<u>TOTAL</u>
Nectarine			
Administrative	\$1,646,000	\$53,717	\$1,699,717
Pear Commodity	536,000	20,000	556,000
Plum Commodity	1,509,500	75,719	1,585,219
Peach Commodity	1,200,000	56,432	1,256,432
TOTAL	\$4,891,500	\$205,868	\$5,097,368

*Includes the following contributions toward the fruit ripening bowl: \$10,000 from each committee except for the plum committee which contributes \$60,000.

Total budgeted market development expenditures for 1985-86 are increased from last season due to an estimated five percent increase in the fruit crops this season. The following table compares this year's budgeted expenditures for market development with last year's actual expenditures.

<u>Commodity</u>	<u>Actual Expenditures 1984-85*</u>	<u>Budgeted Expenditures 1985-86*</u>	<u>Increase (Decrease) Base 84-85</u>
Nectarines	\$1,656,617	\$1,636,000	\$(20,617)
Pear	589,826	526,000	(63,826)
Plums	1,414,368	1,449,500	35,132
Peaches	1,085,621	1,190,000	104,379
TOTAL	\$4,746,432	\$4,801,500	\$ 55,068

* Excludes fruit ripening bowl expenditures.

The following table shows detailed market development expenditure items for the individual commodities for 1985-86:

Item	Nectarines	Pears	Peaches	Plums	TOTAL
Field Staff Activities	\$ 83,000	\$ 70,000	\$ 70,000	\$ 86,000	\$ 309,000
Retail Advertising					
Incentives	100,000	30,000	81,000	100,000	311,000
Trade Communications	38,000	39,000	38,000	35,000	150,000
Other Retail Activities	23,000	23,000	23,000	25,000	94,000
POS Materials	38,000	23,000	24,000	38,000	123,000
Foodservice Activities	38,000	25,000	25,000	40,500	128,500
Publicity, Education					
Activities	30,000	30,000	30,000	35,000	125,000
Television, Radio					
Production	137,000	54,000	137,000	90,000	418,000
Television Advertising	669,000	20,000	431,000	575,000	1,695,000
Radio Advertising	20,000	8,000	20,000	20,000	68,000
Promotional Research	16,000	16,000	16,000	17,500	65,500
Misc. Activities	15,000	12,000	13,000	12,500	52,500
TOTAL	1,636,000	526,000	1,190,000	1,449,500	4,801,500
Ripening Bowl	10,000	10,000	10,000	60,000	90,000
GRAND TOTAL	\$1,646,000	\$536,000	\$1,200,000	\$1,509,500	\$4,891,500

Expenditures of \$205,868 are allocated for fourteen research projects for nectarines, pears, plums and peaches. Project titles detailing cost allocation among commodities as well as total costs for all research projects are attached.

Recommended:

Approved: FEB 18, 1986

/s/ G. KELHART
Acting Chief, Marketing
Order Administration
Fruit and Vegetable
Division

/s/ THOMAS R. CLARK
Acting Director
Fruit and Vegetable
Division

Federal Register
Vol. 50, No. 134
Friday, July 12, 1985

[p. 28,373]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 911, 915, 916, 917, 918, 921, 922, 923, 924, 930, 967, and 985

Expenses and Assessment Rates for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule authorizes expenditures and establishes assessment rates under Marketing Orders 911, 915, 916, 917, 918, 921, 922, 923, 924, 930, 967 and 985 for the respective 1985-86 fiscal year for each order. Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under Secretary's Memorandum 1512.-1 and Executive Order 12291 and has been designated a "non-major" rule. William T. Manley, Deputy Administrator, Agricultural Marketing Service, has certified that these actions will not have a

significant economic impact on a substantial number of small entities.

These marketing orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). These actions are based upon the recommendations and information submitted by each committee, established under the respective marketing orders, and upon other information.

Accordingly, the Secretary finds that upon good cause shown it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in other public procedures, and postpone the effective dates until 30 days after publication in the Federal Register (5 U.S.C. 553). Each order requires that the assessment rate for a particular fiscal year shall apply to all assessable commodities handled from the beginning of such year. To enable the committees to meet current fiscal obligations, approval of the expenses is necessary without delay. Handlers have been apprised of the provisions and effective dates specified in this final rule. It is found that the specified expenses and assessment rates will tend to effectuate the declared policy of the act.

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.224 Expenses and assessment rate.

Expenses of \$2,687,576 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.14 per No. 22D standard lug box of nectarines is established for the fiscal year ending February 28, 1986. Unexpended funds from the 1984-85 fiscal year may be carried over as a reserve.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.241 Expenses and assessment rate.

Expenses of \$2,651,280 by the Plum Commodity Committee are authorized, and an assessment rate of \$0.18 per No. 22D standard lug box of plums is established for the fiscal year ending February 28, 1986. Unexpended funds from the 1984-85 fiscal year may be carried over as a reserve.

§ 917.242 Expenses and assessment rate.

Expenses of \$2,346,443 by the Peach Commodity Committee are authorized, and an assessment rate of \$0.14 per No. 22D standard lug box of peaches is established for the fiscal year ending February 28, 1986.

PART 918—FRESH PEACHES GROWN IN GEORGIA

§ 918.222 Expenses and assessment rate.

Expenses of \$11,610 by the Industry Committee are authorized, and an assessment of \$0.01 per bushel of peaches is established for the fiscal year ending February 28, 1986.

PART 921—FRESH PEACHES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

§ 921.224 Expenses and assessment rate.

Expenses of \$21,556 by the Washington Fresh Peach Marketing Committee are authorized, and an assessment rate of \$1.50 per ton of peaches is established for the fiscal year ending March 31, 1986. Unexpended funds from the 1984-85 fiscal year may be carried over as a reserve.

* * * * *

Federal Register
Vol. 51, No. 50
Friday, March 14, 1986

[p. 8789]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 905, 907, 908, 912, 913, 916, 917, 928, and 932

Expenses and Rates of Assessments for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This regulation authorizes expenditures and establishes assessment rates under Marketing Orders 905, 907, 908, 912, 913, 928, and 932. In addition, this regulation increases the 1985-86 budget under M.O.'s 916 (California nectarines) and 917 (applicable to California pears). Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been designated a "non-major" rule. The Administrator, Agricultural

Marketing Service, has certified that these actions will not have a significant economic impact on a substantial number of small entities.

These marketing orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). These actions are based upon recommendations and information submitted by each committee, established under the respective marketing orders, and upon other information. It is found that the expenses and rates of assessment, as hereinafter provided, will tend to effectuate the declared policy of the act.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rulemaking, and good cause exists for not postponing the effective dates until 30 days after publication in the Federal Register (5 U.S.C. 553). Each order requires that the rate of assessment for a particular fiscal period shall apply to all assessable commodities handled from the beginning of such period. To enable the committees to meet current fiscal obligations, approval of the expenses and rates of assessment is necessary without delay. It is necessary to effectuate the declared policy of the act to make these provisions effective as specified, and handlers have been apprised of such provisions and the effective dates.

[p. 8790]

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.24 [Amended]

Section 916.224 is amended by changing \$2,687,576 to \$2,701,668.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.243 [Amended]

Section 917.243 is amended by changing \$669,504 to \$672,504.

* * * * *

[Aug. 27, 1986]

To: David B. Fitz, OIC
Fresno Marketing Field Office

From: Deputy Director /s/ Thomas R. Clark
Fruit and Vegetable Division

Subject: Approval of Research and Market
Development Projects for California
Nectarines, M.O. 916, and California
Peaches, Pears, and Plums, M.O. 917

Please notify the chairman of each respective committee under the California Tree Fruit Agreement that the Department approves the various research and market development projects as noted on the attached lists.

Cost of the various projects is expected to total \$3,949,055. Adequate funds are included in the respective committees' proposed 1986 season budgets.

Attachment

Ams:F&V:Moab:JBrown:mfr:8/6/86
Dk-a Fitz.Bro

Federal Register
Vol. 51, No. 201
Friday, October 17, 1986

[p. 36,997]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 916, 917, 919, 920, 926, 930, 932, 948, 958, 981 and 993

Authorization of Expenses and Assessment Rates for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule authorizes expenditures and establishes assessment rates under Marketing Orders 916, 917, 919, 920, 926, 930, 948, 958, 981, and 993 for the respective 1986-87 fiscal year for each order. Marketing Orders 916 and 932 expenses are amended for the 1985-86 fiscal year. Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under Executive Order 12291 and Department Regulation 1512-1 and has been

determined to be a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Agricultural Marketing Agreement Act, and rules issued thereunder are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

It is estimated that approximately 275 handlers of California nectarines, 608 handlers of California pears, plums, and peaches, 32 handlers of Colorado peaches, 76 handlers of California kiwifruit, 14 handlers of California Tokay grapes, 70 handlers of Michigan and other states cherries, 7 handlers of California olives, 72 handlers of Colorado Area II potatoes, 23 handlers of Idaho-Oregon onions, 70 handlers of California almonds, and 16 handlers of California dried prunes, will be subject to regulation during the course of the current season and that the great majority of these firms may be classified as small entities.

Accordingly, the Secretary finds that upon good cause shown it is impracticable, unnecessary, and contrary to the public interest to give preliminary

notice, engage in other public procedures, and postpone the effective dates until 30 days after publication in the Federal Register (5 U.S.C. 553). Each order requires that the assessment rate for a particular fiscal year shall apply to all assessable commodities handled from the beginning of such year. To enable the committees to meet current fiscal obligations, approval of the expenses is necessary without delay. Handlers have been apprised of the provisions and effective dates specified in this final rule. It is found that the specified expenses and assessment rates will tend to effectuate the declared policy of the act.

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.224 [Amended]

Section 916.224 is amended by changing \$2,701,668 to \$2,707,093.

§ 916.225 Expenses and assessment rate.

Expenses of \$2,583,897 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.16 per No. 22D standard lug box of nectarines is established for the fiscal year ending February 28, 1987. Unexpended funds from the 1985-86 fiscal year may be carried over as a reserve.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.244 Expenses and assessment rate.

Expenses of \$1,704,964 by the Plum Commodity Committee are authorized, and an assessment rate of \$0.19 per No. 22D standard lug box of plums is established for the fiscal year ending February 28, 1987. Unexpended funds from the 1985-86 fiscal year may be carried over as a reserve.

§ 917.245 Expenses and assessment rate.

Expenses of \$2,173,062 by the Peach Commodity Committee are authorized and an assessment rate of \$0.16 per No. 22D standard lug box of peaches is established for the fiscal year ending February 28, 1987. Unexpended funds from the 1985-86 fiscal year may be carried over as a reserve.

* * * * *

PART 919—PEACHES GROWN IN MESA COUNTY, COLORADO

§ 919.225 Expenses and assessment rate.

Expenses of \$1,000 by the Administrative Committee are authorized, and an assessment rate of \$0.01 per bushel of peaches is [p. 36,998] established for the fiscal year ending June 30, 1987.

* * * * *

Federal Register
Vol. 52, No. 38
Thursday, February 26, 1987

[p. 5737]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 917, 932, 959, 971, and 979

Expenses and Assessment Rates for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule authorizes expenditures and establishes assessment rates under Marketing Order 932 for the 1987 fiscal year, and for Marketing Orders 959, 971 and 979 for the respective 1986-87 fiscal year for each order. Marketing Order 917 expenses are increased for the 1986-87 fiscal year. Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under Executive Order 12291 and Departmental Regulation 1512-1 and has been determined to be a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (the Act, 7 U.S.C. 601-674), and rules promulgated thereunder, are unique in that they are brought about through group action of essentially small entities on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are an estimated 608 handlers of California pears, plums, and peaches, 7 handlers of California olives, 40 handlers of Texas onions, 4 handlers of Texas lettuce, and 35 handlers of Texas melons who will be subject to regulation under these marketing orders during the course of the respective season for each specified commodity. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.2) as those having annual gross revenues for the last three years of less than \$100,000, and agricultural services firms are defined as those whose gross annual receipts are less than \$3,500,000. The majority of handlers are believed to be classified as small entities.

Pursuant to the requirements set forth in the RFA, the Administrator of the Agricultural Marketing Service has considered the economic impact on small entities. Each marketing order requires that the assessment rate for a particular fiscal year shall apply to all assessable commodities handled from the beginning of such year. An annual budget of expenses is prepared by each administrative committee and submitted to the Department of Agriculture for approval. The members of administrative committees are handlers and producers of the regulated commodities. This is appropriate because they are familiar with the committees' needs and with the costs for goods, services and personnel in their local area and are thus in a position to formulate an appropriate budget. The budgets are formulated and discussed in public meetings, thus all directly affected persons have an opportunity to participate and provide input.

The assessment rate recommended by each committee is a derived figure. It is merely applying a rate per unit of the commodity (e.g. per pound, ton box, carton, etc.), to the estimated production in order to produce income sufficient to pay the committees' expected expenses. Recommended budgets and rates of assessment are usually acted upon by the committees shortly before a season starts and expenses are incurred on a continuous basis, therefore budget and assessment rate approval must be expedited in order that the committee will have funds to pay their expenses.

While this action may impose some additional costs on handlers, including small entities, the costs are in the form of uniform assessments on all handlers

which do not impose significant economic impact on the small entities involved.

Based on the foregoing, the Secretary finds that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice and to engage in public rulemaking procedure with respect to this action and that good cause exists for not postponing the effect date of this action until 30 days after publication in the Federal Register (5 U.S.C. 553). It is found that the specified expenses and assessment rates will tend to effectuate the declared policy of the Act.

* * * * *

PART 917—FRESH PEARS, PLUMS AND PEACHES GROWN IN CALIFORNIA

§ 917.244 [Amended]

Section 917.244 is amended by changing \$1,704,964 to \$1,799,926.

* * * * *

[June 10, 1987]

To: David B. Fitz, OIC
California Marketing Field Office

From: Acting Director /s/ Charles R. Broder
Fruit and Vegetable Division

Subject: Approval of Research, Market
Development, and Promotion Projects
for California Nectarines, M.O. 916, and
California Peaches, Pears, and Plums,
M.O. 917

Please notify the chairman of the nectarine, peach, and plum committees under the California Tree Fruit Agreement that the Department approves the subject projects as noted on the attached lists.

Cost of the various projects is expected to total \$4,329,212. Adequate funds are included in the respective committees' proposed 1987-88 season budgets.

Attachment

1987 RESEARCH PROJECTS

<u>Project</u>	<u>Plum</u>	<u>Peach</u>	<u>Nect</u>	<u>Total</u>
<u>University of California</u>				
Evaluation of Physiological Efficiency of Fruit Trees in Different Orchard Systems (DeJong)	4,733	4,734	4,733	14,200
Water Management for Maxi- mum Fruit Size (Johnson)	2,000	2,000	2,000	6,000
Internal Breakdown of Stone Fruits (Kader)	5,344	5,344	5,344	16,032
Extending the Market Life of StoneFruits (Mitchell)	6,434	6,433	6,433	19,300
Pre- and Postharvest Decay of Fresh Market Peaches, Plums and Nectarines (Ogawa)	5,000	5,000	5,000	15,000
Nectarines for Export (Ogawa)			7,500	7,500
Evaluation of Mating Disruption for Codling Moth, Omnivorous Leafroller and Peach Twig Borer (Rice)	5,504	5,503	5,503	16,510

Plum Fruit Size Analysis:
Categorize Plums by Height,
Weight and Diameter
(Yoshikawa)

9,900 9,900

Plum 2-pound Subsample:
Mathematical Analysis of
Available Data (Thompson)

3,500 3,500

Other

Plum 2-pound Subsample:
Analysis of Fruit in Packed
Boxes (Hanley)

9,000 9,000

Africanized Bee Research
(California Department of
Food and Agriculture)

1,500 1,500

U. S. Department of Agriculture

Methyl Bromide as a
Quarantine Treatment for
Postharvest Control of Codling
Moth in Nectarines (Harvey)

11,400 11,400

Genotypic Variation in
Postharvest Behavior and
Quality of Stone Fruits
(Ramming)

1,733 1,733 1,734 5,200

Genetic Improvement of Stone
Fruit Rootstocks for Resistance
to Nematodes (Ramming)

4,333 4,334 4,333 13,000

Evaluation of Stone Fruit
Advanced Selection and New
Cultivars (Ramming)

1,167 1,166 1,167 3,500

Resistance to Stone Fruit
Cultivars to Attack by Codling
Moth and Oriental Fruit Moth
(Yokoyama)

1,666 1,667 1,667 5,000

Lethal Effects of Methyl
Bromide (MB) on Codling Moth
(CM) Embryos and Mass Rearing
of CM for Large-Scale MB
Fumigation Confirmatory
Tests on Nectarines (Yokoyama)

— — 5,400 5,400

Total 61,814 37,914 62,214 161,942

5/6/87

Federal Register
Vol. 52, No. 161
Thursday, August 20, 1987

[p. 31,375]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 916, 917, 921, 923, 924, 931, 945, 946, 947, and 948

Expenses and Assessment Rates for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule authorizes expenditures and establishes assessment rates under Marketing Orders 916, 917, 921, 923, 924, 931, 945, 946, 947, and 948 for the 1987-88 fiscal period established for each order, and amends the 1986-87 fiscal period budget for Marketing Order 948. Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under Executive Order 12291 and Departmental Regulation 1512-1 and has been

determined to be a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service has considered the economic impact on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (the Act, 7 U.S.C. 601-674), and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are an estimated 649 handlers of California nectarines, plums, and peaches, 43 handlers of California pears, 84 handlers of Washington peaches, 68 handlers of Washington cherries, 41 handlers of Washington-Oregon prunes, 78 handlers of Oregon-Washington Bartlett pears, 71 handlers of Idaho-Oregon potatoes, 60 handlers of Washington potatoes, 42 handlers of Oregon-California potatoes, and 72 handlers of Colorado Area 2 potatoes who will be subject to regulation under these marketing orders during the course of the respective season for each specified commodity. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.2) as those having annual gross revenues for the last 3 years of less than \$100,000, and agricultural

services firms, which include handlers, are defined as those whose gross annual receipts are less than \$3,500,000. The majority of the handlers may be classified as small entities.

Each marketing order requires that the assessment rate for a particular fiscal period shall apply to all assessable commodities handled from the beginning of such year. An annual budget of expenses is prepared by each administrative committee and submitted to the Department of Agriculture for approval. The members of administrative committees are handlers and producers of the regulated commodities. This is appropriate because they are familiar with the committees' needs and with the costs for goods, services, and personnel in their local areas and are thus in a position to formulate appropriate budgets. The budgets are formulated and discussed in public meetings; thus all directly affected persons have an opportunity to participate and provide input.

While this action may impose some additional costs on handlers, including small entities, the costs are in the form of uniform assessments on all handlers which do not impose a significant economic impact on the small entities involved.

Based on available information, the Administrator of the Agricultural Marketing Service has determined that the issuance of this final rule will not have a significant economic impact on a substantial number of small entities.

The assessment rate recommended by each committee is derived by dividing anticipated expenses by

expected shipments of the commodity (e.g. pounds, tons, boxes, cartons, etc.). That rate is applied to actual shipments to produce income sufficient to pay the committees' expected expenses. Recommended budgets and rates of assessment are usually acted upon by the committees shortly before a season starts and expenses are incurred on a continuous basis. Therefore, budget and assessment rate approvals must be expedited in order that the committees will have funds to pay their expenses.

Based on the foregoing, the Secretary finds that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice and to engage in public rulemaking procedure with respect to this action and that good cause exists for not postponing the effective date of this action until 30 days after publication in the Federal Register (5 U.S.C. 553). It is found that the specified expenses and assessment rates will tend to effectuate the declared policy of the Act.

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.226 Expenses and assessment rate.

Expenses of \$2,844,417 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.16 per No. 22D standard lug box of assessable nectarines is established for the fiscal period ending February 29, 1988. Unexpended funds may be carried over as a reserve.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.247 Expenses and assessment rate.

Expenses of \$3,036,485 by the Plum Commodity Committee are authorized, [p. 31,376] and an assessment rate of \$0.19 per No. 22D standard lug box of assessable plums is established for the fiscal period ending February 29, 1988. Unexpended funds may be carried over as a reserve.

§ 917.248 Expenses and assessment rate.

Expenses of \$2,401,435 by the Peach Commodity Committee are authorized, and an assessment rate of \$0.16 per No. 22D standard lug box of assessable peaches is established for the fiscal period ending February 29, 1988. Unexpended funds may be carried over as a reserve.

§ 917.249 Expenses and assessment rate.

Expenses of \$899,551 by the Pear Commodity Committee are authorized, and an assessment rate of \$0.20 per No. 29B special lug box of assessable pears is established for the fiscal period ending February 29, 1988. Unexpended funds may be carried over as a reserve.

PART 921—FRESH PEACHES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

§ 921.226 Expenses and assessment rate.

Expenses of \$25,136 by the Washington Fresh Peach Marketing Committee are authorized, and an assessment rate of \$2.00 per ton of assessable peaches is established for the fiscal period ending March 31, 1988. Unexpended funds may be carried over as a reserve.

* * * * *

Fresh California
Summer Fruits®

14c

California Tree Fruit Agreement
Pears Plums Peaches Nectarines

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TABLE 13
U. S. PRODUCTION OF FREESTONE PEACHES BY STATE, MILLION POUNDS

<u>State</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Alabama	22.0	15.0	14.0	22.0	1.5	6.0	10.0
Arkansas	37.0	18.0	21.0	23.0	5.0	9.5	1.4
California	434.0	415.0	435.0	457.0	486.0	495.0	511.0
Colorado	20.0	11.0	10.0	12.0	15.0	6.7	19.0
Connecticut	0.3	2.4	2.6	2.7	3.0	2.6	2.7
Delaware	1.6	1.7	2.0	2.0	1.2	2.7	0.9
Georgia	140.0	120.0	100.0	150.0	90.0	105.0	100.0
Idaho	12.0	7.0	11.0	7.5	11.0	11.0	11.3
Illinois	22.0	*	13.0	16.0	*	21.0	20.0
Indiana	7.0	*	5.5	0.7	*	4.0	7.5
Kansas	6.5	1.8	5.0	2.5	3.5	5.0	2.5
Kentucky	16.0	*	6.0	3.0	*	2.0	9.0
Louisiana	6.0	5.0	6.0	7.0	6.5	0.2	0.6
Maryland	17.0	17.0	22.0	19.0	1.0	20.0	11.0
Massachusetts	0.2	1.5	1.7	1.9	2.1	1.9	2.0
Michigan	35.0	50.0	35.0	45.0	55.0	50.0	60.0
Mississippi	3.0	4.0	4.0	5.0	2.5	0.3	0.5
Missouri	15.0	4.5	12.0	15.0	*	12.0	13.0
New Jersey	90.0	80.0	105.0	50.0	95.0	105.0	80.0
New York	9.0	14.5	17.0	11.0	14.5	14.0	14.3
North Carolina	40.0	2.0	12.0	43.0	2.0	25.0	25.0
Ohio	2.0	0.7	7.0	*	*	2.5	9.0
Oklahoma	13.0	7.5	7.5	9.0	8.0	5.5	5.0
Oregon	13.0	13.0	14.0	14.0	15.5	13.0	15.0
Pennsylvania	65.0	90.0	94.0	85.0	40.0	100.0	85.0
South Carolina	430.0	210.0	95.0	480.0	230.0	260.0	350.0
Tennessee	10.0	1.5	4.0	10.0	*	4.0	2.6
Texas	34.0	16.0	27.0	23.0	30.0	10.0	6.0
Utah	12.0	3.5	12.0	12.0	11.0	10.5	10.5
Virginia	30.0	27.0	24.0	34.0	2.0	28.0	27.0
Washington	20.0	27.0	29.0	38.0	31.0	40.0	43.0
West Virginia	18.0	17.0	19.0	17.0	*	23.0	17.0
Total U.S. Freestone	1,580.6	1,183.6	1,172.3	1,617.3	1,162.3	1,395.4	1,471.8
Clingstone (California)	1,202.0	1,102.0	683.0	1,042.0	985.0	933.0	957.0
Total U.S. Peaches	2,782.6	2,285.6	1,855.3	2,659.3	2,147.3	2,328.4	2,428.8

*No significant commercial production due to frost.
Source: Agricultural Statistics Board, NASS, USDA

TABLE 14
INITIAL SHIPMENT DATES OF PEACHES BY VARIETY

<u>Variety</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Desertgold	4/20	4/26	4/11	4/13	4/22	4/15	4/11	4/23	4/7	4/20
Morning Sun				5/19	5/20	5/11	5/7	5/9	4/24	5/7
Prima Fire			5/28	5/25	5/25	5/23	5/19	5/21	4/28	5/7
May Crest	5/20	5/18	5/18	5/11	5/18	5/14	5/11	5/13	4/26	5/9
Ray Crest							5/15	5/14	4/29	5/11
Springgold	5/8	5/11	5/9	5/12	5/17	5/11	5/5	5/13	4/25	5/11
Springcrest	5/13	5/18	5/16	5/13	5/19	5/14	5/10	5/14	4/26	5/12
50-178			5/22		5/20	5/16	5/11	5/14	5/1	5/14
Spring Lady		6/1	5/30	5/30	5/28	5/20	5/18	5/20	5/3	5/16
Flavor Red			6/4	5/24	5/24	5/20	5/15	5/15	5/7	5/19
Golden Crest						6/2	5/29	5/21	5/13	5/22
Willie Red					6/7	6/2	5/25	5/31	5/19	5/25
Kern Sun						5/24	5/23	5/25	5/14	5/28
June Crest					6/7	5/31	5/24	5/29	5/16	5/28
Golden Lady		6/11	6/5	5/31	5/28	5/24	5/26	5/28	5/20	5/29
Royal May	5/26	5/29	5/26	5/25	6/3	5/28	5/22	5/28	5/16	5/29
Early Coronet	5/18	5/25	5/22	5/24	5/28	5/23	5/21	5/27	5/16	5/30
Merrill Gemfree	5/31	6/3	6/2	5/31	6/4	5/29	5/25	5/30	5/16	5/30
May Lady	5/27	5/28	5/30	5/29	6/4	6/1	5/25	5/31	5/17	6/1
First Lady	6/6	6/6	6/6	5/31	6/7	6/1	5/28	5/31	5/16	6/2
June Lady	6/5	6/7	6/6	6/5	6/11	6/3	5/30	6/3	5/17	6/2
Merrill Gem	6/2	6/9	6/12	5/31	6/10	6/7	6/5	6/6	5/22	6/3
Babcock, all types	5/29	6/4	6/3	5/31	6/5	5/31	5/28	5/29	5/19	6/5
Honey Red					6/7	6/1	5/30	6/3	5/19	6/5
Flavorcrest	6/7	6/11	6/6	6/4	6/12	6/4	6/2	6/4	5/24	6/8
Coronet	6/3	6/12	6/12	6/8	6/14	6/6	6/4	6/5	5/28	6/9
Regina	6/12	6/13	6/12	6/10	6/15	6/4	6/2	6/7	5/24	6/10
Redtop	6/12	6/20	6/17	6/17	6/19	6/20	6/14	6/17	5/30	6/16
Redhaven	6/12	6/16	6/14	6/9	6/14	6/20	6/18	6/26	6/10	6/21
Red Lady	6/28	7/5	6/25	7/1	7/2	6/29	6/27	7/4	6/16	6/23
Scarlet Lady	6/24	7/3	6/28	6/30	7/1	6/30	6/26	6/29	6/16	6/25
Flamecrest	7/5	7/7	7/3	7/6	7/1	7/5	6/28	7/2	6/16	6/28
Suncrest	6/29	7/3	6/28	6/30	7/1	6/30	6/30	7/1	6/16	6/29
Elegant Lady	7/19	7/17	7/4	7/7	7/8	7/7	6/28	7/2	6/21	7/1
Redglobe	6/23	6/29	6/26	6/29	7/6	7/4	6/26	7/4	6/21	7/2

July Lady	7/8	7/9	7/9	7/10	7/13	6/30	7/4	6/26	6/26	7/6
Cassie			8/3	7/23	7/9	7/13	7/4	7/8	6/17	7/7
Fay Elberta	7/11	7/13	7/16	7/19	7/20	7/19	7/12	7/17	7/4	7/7
Early O'Henry	7/15	7/17	7/18	7/22	7/19	7/18	7/14	7/18	7/5	7/8
Franciscan	7/10	7/11	7/10	7/15	7/9	7/11	7/9	7/13	7/2	7/8
Fortyniner	7/10	7/12	7/15	7/15	7/14	7/12	7/10	7/17	7/2	7/10
Fayette	7/13	7/13	7/14	7/17	7/20	7/18	7/9	7/18	7/2	7/10
Preuss Suncrest	7/11	7/17	7/9	7/15	7/12	7/9	7/11	7/13	7/5	7/10
Angelus	7/12	7/14	7/14	7/20	7/16	7/11	7/11	7/17	7/1	7/11
Berenda Sun						7/16	7/8	7/12	7/3	7/11
July Sun					7/13	7/11	7/3	7/9	6/25	7/13
Fire Red	7/22	7/25	7/21	7/22	7/19	7/20	7/10	7/17	7/4	7/13
Pacifica	7/15	7/19	7/16	7/20	7/20	7/18	7/17	7/22	7/5	7/14
Sparkle	7/17	7/21	7/20	7/24	7/21	7/14	7/14	7/18	7/3	7/15
Elberta	7/15	7/17	7/19	7/21	7/19	7/18	7/12	7/19	7/4	7/16
Red Cal	7/27	7/31	7/31	7/29	7/28	7/28	7/21	7/25	7/12	7/23
O'Henry	7/25	7/27	7/25	7/27	7/28	7/22	7/17	7/18	7/5	7/26
Lacey			9/10	8/14	8/18	8/6	8/8	8/6	7/25	7/27
August Sun					8/15	8/9	8/6	8/12	7/30	7/31
Cal Red	7/24	7/30	7/28	7/30	7/23	7/23	7/23	7/30	7/21	8/3
Ryan Sun						8/9	8/13	8/14	7/24	8/5
Toreador	8/4	8/4	8/8	8/11	8/23	8/18	8/13	8/15	7/29	8/6
Kings Lady				8/27	8/16	8/12	8/14	8/17	7/31	8/9
Parade	8/5	8/9	8/15	8/16	8/14	8/10	8/10	8/17	8/2	8/9
Sun Lady	8/19	8/13	8/20	8/31	8/18	8/17	8/18	8/19	7/29	8/11
Fairtime	8/18	8/20	8/25	8/26	8/26	8/16	8/20	8/23	8/9	8/12
Mary Ann									8/15	8/16
Carnival	8/30	8/27	8/25	9/2	8/31	8/27	9/1	8/30	8/18	8/18
Belmont (Fairmont)	9/2	8/24	9/5	8/30	9/4	8/27	8/28	8/30	8/13	8/24
Autumn Gem	9/15	9/10	9/16	9/10	9/14	9/9	9/4	9/4	8/29	9/1
Autumn Lady				9/25	10/5	9/15	9/14	9/17	9/5	9/11
Autumn Crest								10/12	10/2	9/11
Blum's Beauty			9/24	10/6	9/24	9/23	9/7	9/14	9/13	9/14
Sprague Last Chance								9/28	9/8	9/16

TABLE 13
INITIAL SHIPMENT DATES OF PLUMS BY VARIETY

<u>Variety</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Red Beaut	5/15	5/23	5/21	5/18	5/25	5/21	5/14	5/17	4/30	5/13
Rich Red					5/28	5/20	5/18	5/20	5/5	5/18
Durado	5/22	5/29	5/22	5/20	5/29	5/26	5/17	5/21	5/2	5/19
Spring Beaut			5/30	5/20	5/28	5/25	5/18	5/21	5/3	5/19
Ambra	5/28	6/6	6/5	5/29	6/4	6/6	5/24	6/1	5/19	5/25
Royal Red	6/5	6/5	6/1	6/1	6/2	6/4	5/29	5/30	5/15	5/28
Santa Rosa	6/8	6/12	6/10	6/4	6/11	6/10	6/6	6/7	5/24	6/1
Gar-Rosa	6/12	6/11	6/7	6/8	6/11	6/7	6/6	6/5	5/27	6/1
Royal Garnet							6/8	6/7	5/19	6/2
Black Beaut	6/8	6/9	6/9	6/5	6/14	6/7	6/5	6/4	5/17	6/2
Prima Black								6/7	5/21	6/10
July Santa Rosa	6/16	6/21	6/17	6/16	6/20	6/22	6/9	6/20	6/2	6/10
Rosa Ann	6/20	6/23	6/17	6/16	6/22	6/20	6/17	6/20	6/5	6/10
Frontier	6/16	6/20	6/14	6/17	6/23	6/21	6/16	6/24	5/29	6/14
Rose Ann	6/19	6/25	6/30	6/23	6/23	6/23	6/15	6/18	6/9	6/17
Ebony	6/21	6/22	6/19	6/22	6/29	6/28	6/14	6/24	6/10	6/17
Wickson	6/21	6/22	6/26	6/21	6/30	6/27	6/21	6/24	6/10	6/18
Blackamber			6/27	6/22	7/3	6/26	6/20	6/20	6/6	6/18
Queen Rosa	6/21	6/22	6/19	6/19	6/28	6/24	6/19	6/25	6/7	6/18
Carolyn Harris					7/5	7/1	6/26	7/6	6/10	6/19
El Dorado	6/27	6/28	6/24	6/22	6/30	6/26	6/25	6/28	6/11	6/22
Redroy	6/29	6/30	6/28	6/25	7/5	7/5	6/26	6/27	6/13	6/24
Catalina			7/10	7/1	7/7	7/7	6/27	7/5	6/17	6/27
Laroda	6/28	7/2	6/26	6/30	7/6	7/5	7/2	7/2	6/13	6/29
Black Gold			7/25	7/20	7/12	7/5	7/4	7/10	6/11	6/30
Simka	7/6	7/4	7/5	7/7	7/7	7/5	7/4	7/5	6/19	6/30
Early Hawaiian Ann	7/7	7/8	7/6	7/8	7/9	7/8	7/11	7/10	6/19	6/30
Mariposa	6/27	7/2	6/30	6/23	7/2	7/1	6/30	7/2	6/13	7/2
Nubiana	7/3	6/30	7/1	7/2	7/5	7/5	7/3	7/5	6/17	7/2
Midsummer	7/20	7/24	7/15	7/22	7/17	7/14	7/17	7/16	6/27	7/4

Queen Ann	7/4	7/5	7/2	7/6	7/6	7/5	6/28	7/6	6/17	7/4
Late Santa Rosa	7/1	7/2	7/1	6/30	7/2	7/1	7/3	6/27	6/18	7/5
Red Rosa	6/30	7/5	6/30	6/29	7/7	7/6	7/6	7/12	6/18	7/7
Friar	7/12	7/14	7/11	7/13	7/13	7/15	7/11	7/6	6/24	7/7
Black Diamond				7/20	7/16	7/6	7/7	7/13	6/23	7/8
King's Black	7/22	7/18	7/12	7/16	7/15	7/14	7/14	7/18	6/26	7/8
July Red				6/26	7/3	6/27	6/27	7/3	6/13	7/10
Grand Rosa	7/6	7/9	7/8	7/9	7/8	7/7	7/11	7/11	6/25	7/10
Kelsey	7/13	7/16	7/15	7/14	7/17	7/14	7/14	7/17	6/30	7/11
French (d'Agen) Prune								8/10	7/15	7/16
Casselmann	7/25	7/27	7/23	8/4	7/26	7/26	7/27	7/30	7/16	7/17
Black Knight	8/2	8/6	8/1	8/11	7/27	7/29	8/4	8/5	7/14	7/19
Empress	8/1	8/2	8/6	8/6	8/5	7/28	8/4	7/30	7/18	7/19
Andys Pride	7/19	7/14	7/18	7/24	7/26	7/26	7/23	7/25	7/8	7/20
Black Giant		7/13		7/11	7/7	7/12	7/12		7/1	7/22
Freedom	7/31	8/1	8/1	7/30	8/2	7/28	7/27	7/31	7/16	7/22
Royal Diamond									7/30	7/24
Rosemary	8/16	8/10	8/7	8/3	7/27	8/2	8/3	8/3	7/12	7/24
President	7/26	7/30	7/31	8/1	8/3	7/30	7/30	8/1	7/24	7/27
Shayna	8/15	8/9	8/14	8/10	8/4	8/3	8/15	8/17	7/22	7/28
Angee		8/10	8/18	8/10	8/9	8/9	8/13	8/12	7/30	7/29
Standard	7/29	7/31	8/7	8/2	8/4	8/1	8/3	8/3	7/23	7/30
Linda Rosa	7/31	8/1	8/5	8/14	8/3	8/2	8/16	8/13	7/30	7/31
Autumn Rosa	8/11	8/11	8/7	8/19	8/11	8/5	8/8	8/22	7/23	8/1
Sharron's Plum									7/26	8/4
Moyer Prune								9/3	8/13	8/5
King David	8/19	8/15	8/19	8/19	8/16	8/11	8/21	8/22	8/4	8/12
Black Ace								8/30	8/12	8/16
King Richard					9/8	8/27	8/31	8/27	8/14	8/17
Angeleno	9/2	8/30	8/29	9/1	8/24	8/21	8/28	8/24	8/7	8/18
Roysum	9/8	9/4	9/10	9/15	9/16	9/3	9/7	9/9	9/3	9/4

TABLE 13
INITIAL SHIPMENT DATES OF NECTARINES BY VARIETY

Variety	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Maybelle (Coachella)				4/28	4/27	4/23	4/18	4/26	4/16	4/25
Mayfire									4/24	5/6
Maybelle (San Joaquin)	5/19	5/19	5/12	5/11	5/15	5/11	5/11	5/13	4/25	5/11
May Glo							5/22	5/20	5/2	5/12
Aurelio Grand	5/20	5/21	5/21	5/22	5/25	5/23	5/15	5/18	5/5	5/12
Royal Delight	5/23	5/24	5/22	5/22	5/25	5/21	5/14	5/16	5/3	5/14
Early Diamond								5/26	5/9	5/15
Apache	5/22	5/29	5/28	5/26	5/31	5/24	5/18	5/23	5/8	5/19
Grand Stan			6/3	6/1	6/2	5/26	5/18	5/22	5/12	5/19
Early May				5/28	5/28	5/26	5/21	5/23	5/12	5/20
Red Delight					6/10	5/30	5/21	5/23	5/14	5/25
Early May Grand					6/4	6/1	5/22	5/30	5/16	5/25
May Grand	5/26	6/1	5/30	5/29	6/2	5/29	5/23	5/28	5/14	5/26
Mayfair	5/27	5/31	5/28	5/31	6/3	5/30	5/25	5/30	5/17	5/27
Star Brite							5/29	5/31	5/16	5/29
Ama Lyn							5/25	5/28	5/17	5/29
June Grand	6/3	6/5	6/4	6/1	6/7	6/4	5/29	6/1	5/20	6/2
Sunfre	6/6	6/12	6/10	6/7	6/4	6/9	6/2	6/4	5/24	6/3
Pacific Star					6/18	6/7	6/4	6/3	5/20	6/5
June Glo					6/18	6/13	6/6	6/6	5/21	6/5
Red June	5/30	6/5	6/5	6/3	6/9	6/3	6/1	6/5	5/22	6/5
Spring Diamond								6/12	5/29	6/5
May Diamond								6/18	5/26	6/7
Mike Grand					6/12	6/8	5/31	6/7	5/23	6/7
Firebrite	6/11	6/13	6/13	6/10	6/17	6/9	6/4	6/10	5/24	6/8
Spring Grand	6/7	6/9	6/10	6/8	6/12	6/8	6/4	6/5	5/27	6/9
Spring Red	6/13	6/19	6/17	6/10	6/18	6/15	6/7	6/10	5/27	6/9
Sun Diamond									5/31	6/9
Early Sungrand	6/10	6/13	6/13	6/10	6/16	6/8	6/4	6/10	5/26	6/11
Early Star	6/13	6/15	6/17	6/14	6/18	6/16	6/14	6/13	5/31	6/11
Star Bright								6/17	5/27	6/13
Independence	6/10	6/13	6/16	6/12	6/17	6/10	6/8	6/10	5/23	6/14
Summer Beaut			6/26	6/21	6/24	6/14	6/12	6/17	5/28	6/14
Moon Grand	6/14	6/18	6/13	6/12	6/21	6/14	6/5	6/12	5/31	6/14
Red Diamond	6/17	6/21	6/17	6/18	6/21	6/17	6/11	6/15	5/31	6/16

Summer Diamond							7/11	7/20	6/3	6/22
Flavortop I	6/29	7/3	6/29	6/29	7/2	6/27	6/21	6/29	6/13	6/24
Flavortop	6/22	6/30	6/25	6/24	7/2	6/24	6/25	6/29	6/14	6/26
Grand Diamond						7/5	6/26	6/25	6/10	6/27
Ruby Grand	6/30	7/6	7/3	7/5	7/7	7/4	6/27	7/3	6/16	6/27
Sun Grand	6/19	6/29	6/27	6/30	7/2	6/26	6/19	6/26	6/17	6/27
Super Star					7/26	7/11	7/3	7/5	6/16	6/29
Niagara Grand	7/3	7/5	7/3	7/2	7/7	7/6	6/29	7/5	6/17	6/29
Summer Grand	6/27	7/3	7/2	6/30	7/5	7/5	6/29	7/2	6/19	6/29
Hi-Red	7/3	7/5	7/5	7/2	7/8	7/6	6/30	7/5	6/19	6/29
Larry's Grand	7/10	7/12	7/8	7/7	7/10	7/12	7/7	7/8	6/23	6/29
Fantasia	7/8	7/10	7/5	7/6	7/13	7/12	7/5	7/10	6/20	6/30
Kent Grand	7/3	7/4	7/4	7/3	7/9	7/8	6/29	7/5	6/19	7/1
Granderli	6/29	7/4	7/4	7/3	7/8	7/7	7/3	7/8	6/30	7/4
Red Free	7/5	7/6	7/8	7/14	7/14	7/9	7/8	7/11	6/18	7/6
Rio Red					7/22	7/13	7/4	7/10	6/30	7/6
Late Tina Red			7/20	7/20	7/17	7/16	7/14	7/19	6/30	7/10
Red Grand	7/10	7/12	7/6	7/10	7/15	7/15	7/11	7/17	7/4	7/10
Son Red	7/15	7/14	7/16	7/20	7/16	7/16	7/7	7/19	7/2	7/11
61-61						7/19	7/16	7/18	7/2	7/13
Bob Grand	7/17	7/20	7/23	7/20	7/23	7/20	7/17	7/20	7/7	7/16
July Red								7/25	7/3	7/17
Clinton-Strawberry	7/12	7/19	7/21	7/20	7/20	7/19	7/13	7/22	7/8	7/19
Kism Grand							8/4	7/30	7/15	7/20
Le Grand	7/15	7/19	7/22	7/21	7/24	7/22	7/18	7/22	7/11	7/20
Royal Giant	7/24	7/30	7/25	7/19	7/27	7/21	7/20	7/27	7/12	7/22
Autumn Delight		8/8	8/5	8/4	7/30	7/25	7/19	7/24	7/9	7/23
Sparkling Red		8/3	8/2	7/28	7/28	7/29	7/23	7/29	7/14	7/23
Late Le Grand	7/22	7/26	7/29	7/27	7/29	7/27	7/21	7/25	7/16	7/23
Gold King	7/25	7/31	8/4	8/6	8/6	8/3	7/31	7/31	7/28	7/30
Red Jim		8/16	8/20	8/9	8/11	8/2	7/31	8/7	7/26	8/2
Flamekist	7/27	7/30	8/6	8/2	8/3	8/3	7/31	8/2	7/23	8/3
Tom Grand	7/25	8/3	8/6	8/5	8/9	8/3	8/2	8/2	7/25	8/3
Flaming Red						8/25	8/23	8/22	7/31	8/3
Summer Red								8/6	7/25	8/4
Regal Grand	7/27	7/31	8/6	8/7	8/7	8/3	8/2	8/8	7/28	8/5
Scarlet Red								8/15	7/28	8/5
Sherri Red	8/17	8/14	8/12	8/8	8/10	8/6	8/3	8/9	7/25	8/9
Tasty Free	8/21	8/16	8/22	8/18	8/12	8/10	8/13	8/10	7/29	8/9
Fairlane	8/8	8/13	8/8	8/12	8/12	8/7	8/8	8/14	8/1	8/9
181-119						8/15	8/16	8/27	8/11	8/10
Autumn Grand	8/11	8/9	8/12	8/10	8/12	8/11	8/13	8/12	7/30	8/13
September Red									8/14	8/14
September Grand	8/16	8/16	8/20	8/18	8/19	8/17	8/16	8/28	8/7	8/16
P-R Red						9/1	8/22	8/29	8/22	8/29

BUSSE & CUMMINS

CLIENT: CALIFORNIA TREE FRUIT
AGREEMENT
JOB NO.: CTFA-228 A:SEASON INTRO
DATE: 2/7/86
MEDIUM: RADIO
SPACE: : 30

SINGERS: Summer, summer fruits . . .
(HOLD)
ANNCR: Remember the fresh summer
peaches, plums and nectarines last
year? Well, it's summertime again—
the fruit-toot-in-est best time of the
whole year!
SINGERS: Summer, summer fruits . . .
(Hold)
ANNCR: And fresh California peaches, plums
and nectarines are back!
SINGERS: Summer, summer fruits from
California. Fresh from the tree,
taste, taste 'em and see.
ANNCR: You'll find 'em now in stores
everywhere. Don't miss 'em!
SINGERS: Sunshine on a tree, delicious
naturally! Summer fruits . . .
(HOLD AND REPEAT)
ANNCR: Fresh peaches, plums and
nectarines . . . from the growers of
California Summer Fruits (R).

JOB NO.: CTFA-228 A:SEASON INTRO
DATE: 2/7/86
MEDIUM: RADIO
SPACE: : 30

SINGERS: Summer, summer fruits . . .
(HOLD)
ANNCR: Remember those go-o-olden yellow
summertime pears? The *special*
kind—real fresh and juicy—and just
slur-a-py sweet to eat?
SINGERS: Summer, summer fruits . . .
(HOLD)
ANNCR: Now those California Bartletts
are here again.
SINGERS: Summer, summer fruits from
California. Fresh from the tree,
taste 'em and see.
ANNCR: You'll wanta ripen 'em to a golden
yellow!
SINGERS: Sunshine on a tree, delicious
naturally! Summer fruits ... (HOLD
AND REPEAT)
ANNCR: Slur-a-py sweet California Bartletts
. . . from the growers of California
Summer Fruits(R).

JOB NO.: CTFA-228 A:SEASON INTRO
DATE: 2/7/86
MEDIUM: RADIO
SPACE: : 30

SINGERS: Summer, summer fruits . . .
(HOLD)

ANNCR: Can you remember biting into
your very first peach? . . . cool
and juicy—with little freshtickles
of flavor like you'd never tasted
before

SINGERS: Summer, summer fruits . . .
(HOLD)

ANNCR: Well, fresh California peaches are
here again!

SINGERS: Summer, summer fruits from
California. Fresh from the tree,
taste 'em and see.

ANNCR: They've got that same peachy
sweetness you've always
remembered.

SINGERS: Sunshine on a tree, delicious
naturally! Summer fruits . . .
(HOLD AND REPEAT)

ANNCR: Freshtickling California peaches. .
. from the growers of
California Summer Fruits (R).

JOB NO.: CTFA-228 A:SEASON INTRO
DATE: 2/7/86
MEDIUM: RADIO
SPACE: : 30

SINGERS: Summer, summer fruits . . .
(HOLD)

ANNCR: The last time you tasted a fresh
plum—were you surprised? That's
'cause fresh plums come in a whole

rainbow of tongue-tinglelating
flavors.

SINGERS: Summer, summer fruits . . .
(HOLD)

ANNCR: How fresh California plums are
here for the summer!

SINGERS: Summer, summer fruits from
California. Fresh from the tree,
taste 'em and see.

ANNCR: Sweet, juicy, tart and tangy—
you'll want to try 'em all.

SINGERS: Sunshine on a tree, delicious
naturally! Summer fruits . . .
(HOLD AND REPEAT)

ANNCR: Tongue-tinglelating fresh plums
. . . from the growers of California
Summer Fruits (R).

JOB NO.: CTFA-228 A:SEASON INTRO
DATE: 2/7/86
MEDIUM: RADIO
SPACE: : 30

SINGERS: Summer, summer fruits
. . . (HOLD)

ANNCR: Remember how good those fresh
nectarines were last summer?
Tasted like a brass band playin'.
Down-right, in-des-cribe-bab-ly
scrump-licious! ? (scrump-dilly-
icious)

SINGERS: Summer, summer fruits . . .
(HOLD)

ANNCR: Now those fresh California
nectarines are here again.

SINGERS: Summer, summer fruits from
California. Fresh from the tree,
taste 'em and see.

ANNCR: It's no wonder the call 'em nect-
tar-eeens!

SINGERS: Sunshine on a tree, delicious
naturally! Summer fruits . . .
(HOLD AND REPEAT)

ANNCR: Scrump-licious nectarines . . .
from the growers of California
Summer Fruits (R).

NPD/Nielsen Inc

EXECUTIVE SUMMARY
CONSUMER PURCHASING OF FRESH FRUIT
WITHIN KANSAS CITY
SUMMER 1987

I. Background

This study represents a continuation of a consumer research program begun with NPD Research by CTFA in 1984. The first phase, completed prior to the 1985 selling season, consisted of an indepth analysis of how fresh fruit was consumed/used in home, and the demographics of those users. Phase Two, completed prior to the 1986 selling season, represented a geographic mapping of highest potential markets, drawing from the previous research. Every major market in the U.S. was ranked with respect to the concentration of heavy fruit and heavy C.S.F. consumers; the objective being to concentrate CTFA advertising dollars in areas where the potential sales per dollar spent were highest.

This study represents Phase Three, an evaluation of the effects of increased advertising in one of the top ten "high potential" markets. Of these markets, Kansas City was selected for analysis due to its balanced demographics (relative to total U.S.), its isolation from other major markets, its near-average level of total grocery dollar expenditures, and the existence of good trade co-op with CTFA sellers. Within this market, a panel of approximately 800 households recorded purchases of fresh

fruit and other selected product categories on a monthly basis from May through September, 1987 in pre-structured ledger-style diaries. For each purchase, panelists recorded the type of fruit purchased, date purchased, quantity, whether or not they perceived the fruit to be "on sale", the price paid per pound, and the age/sex of the intended consumers. Thus, a full history of summer, 1987 fruit purchasing was obtained from this panel, which allowed us to view the development of purchasing throughout the entire season and to identify the most frequent users demographically.

In addition, after the return of September diaries, a subsample of 254 panelists were contacted for personal in-home interviews to establish whether or not they were aware of CTFA advertising during the summer season. Following that, purchase data from each of the two groups was compared to determine any differences in habits existing between the aware versus non-aware groups.

This summary will present highlights of the knowledge gained from analysis of the market as a whole, as well as those differences which emerged between the advertising aware versus not-aware groups.

II. The Total Market

A. CFFA Fruits vs. Top Fruits

Nearly all (94%) of Kansas City households purchased fresh fruit on at least one occasion during the May-September, 1987 time period, and 79% purchased at least one CTFA fruit. The percentage of households purchasing each type of fruit is as follows:

Peaches	66%	Bananas	81%
Plums	47%	Grapes	65%
Nectarines	37%	Apples	59%
Pears(7/15)	20%	Cherries	30%

On average, households purchased fresh fruit on 12 separate occasions (about once every 10 days). CTFA fruits were present on five of those twelve occasions. With the exception of bananas, CTFA fruits were competitive with other fruits in the average frequency of purchase occasions throughout the summer:

Peaches	3.6	Bananas	6.1
Plums	2.9	Grapes	3.5
Nectarines	2.9	Apples	3.0
Pears(7/15->)	2.0	Cherries	2.1

Consumers believed the price they paid for any fresh fruit was a "sale" price only 36% of the time; for CTFA fruits in aggregate, they believed they were receiving a special price 29% of the time. The percentage of occasions in which consumers

perceived a "sale" price on individual fruits is as follows:

Peaches	31%	Bananas	29%
Plums	25%	Grapes	39%
Nectarines	22%	Apples	12%
Pears(7/15)	35%	Cherries	29%

B. Development of CTFA Purchasing

Consumers tend to respond quickly to the availability of CTFA fruits. The week of 6/1-6/7/87 produced the largest weekly influx of first-time buyers for both Peaches and Plums (Nectarines peaked during the week of 6/22-6/28/87 and again during 7/6-7/12/87). By the end of June, nearly 60% of the season's peach buyers have made at least one purchase; for Plums, more than 50% of season buyers have been attracted at this point. Nectarines tend to lag a bit, but by the week ending 7/12/87 had attracted two-thirds of their eventual buyer base.

Securing buyers early in the season is important not only from a short-term sales position, but from a season-long position as well. It is obvious that they (early triers) have a greater length of time ahead of them to make subsequent purchases. However, the likelihood of any subsequent (repeat) purchase is much stronger among early triers versus mid-season or late-season buyers.

For each of the three C.S.F., a certain percentage of buyers purchase only once during the season, and thus, volumetrically, are not very important.

Over 90% of each fruit's volume is drawn from repeaters (those who purchase more than once during the season). The incidence of repeaters for each fruit is as follows:

Peaches	73%
Plums	64%
Nectarines	62%

Given the importance of these buyers, it is essential to focus directly on them and their initial entry into the market.

To illustrate the importance of early triers, peaches will be used as an example (as the remaining fruits followed the same behavioral pattern). Among buyers who purchased peaches during the first four weeks of availability (through Mid-June), 83% returned within the following four weeks to make a second purchase; among triers during the second four weeks of availability (Mid-June through Mid-July), only 65% had returned during the following four weeks to make a subsequent purchase. What this behavior suggests is that the earlier a buyer enters the market, the higher the likelihood of that buyer becoming a committed heavy buyer during the season. This fact is underscored further when viewing the volumetric impact of early triers; 70% of total peach volume during summer, 1987 was contributed by buyers who made their first purchase in June. These early buyers represented 57% of the season's total buyers, indicating that their purchasing was at a level 23% higher than if all buyers contributed a proportionate amount of purchasing.

In terms of total purchasing, July and most of August are the peak periods of CTFA sales; CTFA fruits are part of approximately 46% of all fresh fruit purchase occasions during this time. An interesting note is that when grapes reached a sharp sales peak in early August, the purchasing CTFA fruits did not appear to be impacted. This supports the behavior seen among the CTFA buyers with regard to CTFA fruits: that fruit buyers "add on" new fruits as they become available rather than trade-off one fruit for another.

III. Aware vs. Not Aware of Advertising Purchasing

Overall, the summer advertising program was very effective in reaching its target audience of younger, child-oriented, upper income households (The traditional CTFA and Total Fresh Fruit buyers skew towards older, childless households).

There were no major differences between the groups insofar as the pattern of initial buyer attraction for the CTFA fruits; both groups built rapidly during June. This is a very positive sign in that the "aware" groups contained a greater percentage of previous year non-buyers; without advertising we would not expect prior non-users to be attracted early in the season (if at all). The purchase rate (pounds per occasion) among the "aware" groups was slightly lower than the non-aware group, but this was expected. Newer users take time to develop to levels comparable to those historically in the market. In addition, we know that the non-aware groups were older, childless

households who, from past research, were shown to be prone to additional uses beyond out-of-hand consumption, i.e., canning, baking, and other ingredient usage.

The largest behavioral difference between the aware and not aware groups was in the prices that were paid for CTFA fruits. When they were not perceived as being "on sale". Among the aware group, the average price paid when not "on sale" was substantially higher than that of not aware buyers.

Average Cents Per Pound

	"On Sale"		Not "On Sale"	
	Aware	Not Aware	Aware	NotAware
Peaches	.46	.45	.72 <— .52	
Plums	.42	.42	.62 <— .53	
Nectarines	.56	.51	.77 <— .62	
Pears	.48	.51	.78 <— .63	

Typically, "not on sale" prices reflect the highest price consumers are willing to pay for a product (since they will not purchase at all if the price is too high). Thus, since the "aware" buyers are willing to purchase at a much wider range (on sale vs. not on sale) of price, it can be said that they are much less sensitive to prices than are those buyers who were not aware of advertising. This would support the concept that advertising contributes to the perceived value of a given product.

IV. Conclusions

From all of the analysis which has been done this year, two points emerge as the most significant. First, that advertising delivers a quality message, which enhances the "value" of California Summer Fruits in that ad aware buyers are willing to spend considerably more per pound than non-aware buyers. Essentially, this means that ad aware buyers can be counted on to purchase throughout the entire season, whereas non-aware buyers, as evidenced by their lower price ceiling, appear to purchase only when the price falls below a certain (low) threshold.

The second implication is that advertising should be concentrated early in the season in order to encourage earlier trial, and subsequently, greater retention of those early buyers throughout the season.

Carmelita _____ **ADVERTISING RESEARCH**
enterprises, inc.

A Communicus Measurement of the CALIFORNIA SUMMER FRUITS 1987 ADVERTISING CAMPAIGN

**Conducted by
CARMELITA ENTERPRISES, INC**

P.O. BOX 1438 • JOSHUA TREE, CA. 92262 • (619) 365-1529

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

SAMPLE: 254 members of the Kansas City diary panel

- 182 primary target audience
- 72 secondary target audience

PERSONAL IN-HOME INTERVIEWS

October, 1987

I. INTRODUCTION

This research applies the Communicus methodology to measuring the awareness and sales effectiveness of the 1987 California Summer Fruits advertising campaign.

Methodology

The persuasiveness of advertising is analyzed by comparing purchase behavior among respondents who proved awareness of the advertising with those who have seen none of the advertising.

To conduct a valid analysis of this type, it is necessary to have the ability to measure with a high degree of accuracy whether an individual has seen the advertising. The Communicus method for measuring the proved awareness of advertising is as follows:

Television Commercials: The respondent is shown a brief excerpt from the commercial in a hand-held viewfinder-type sound movie projector. Any respondent who claims to have seen the commercial before is required to prove it by describing material not included in the excerpt.

Radio Commercials: The method for measuring radio commercials is analogous to that used for measuring television. The respondent listens to an edited selection from the commercial.

Outdoor and Point-of-Purchase Ads: The respondent is shown a 35mm slide of the ad in portable tachistoscopic equipment. The duration of the

exposure is the individual's threshold speed of perception—anywhere from .2 to .8 of a second, as established by our special test slide. Any respondent who claims to have seen the ad before is required to prove it by describing details not discernible during the brief glimpse.

The Communicus technique used by Carmelita to measure proved awareness of advertising is based on developmental work originally conducted by the Advertising Research Foundation, and has been refined over the past thirty-five years. Experimental and other evidence have indicated that typically it is accurate at the 90% level for periods of a year or more after an individual has seen an ad or a commercial.

Research Design

The research involved personal in-home interviews in October, 1987, with 254 members of a Kansas City panel who had kept diary records of fruit purchases during the Summer of 1987.

Each respondent questioned about fruit purchasing during the Summer and was measured on his/her proved awareness of all California Summer Fruits television, radio, and outdoor advertising that appeared in Kansas City in 1987.

II. EXECUTIVE SUMMARY

Campaign Awareness

- The not campaign awareness was sufficient to provide a basis for substantial advertising effect.
- Television, radio and point-of-purchase all made major contributions to campaign awareness. The outdoor advertising played only a minor role.

Campaign Impact on Purchase

- The advertising substantially increased the frequency of purchasing nectarines and pears. To a lesser extent the advertising increased the frequency of purchasing peaches and plums.
- Respondents aware of the ads were more likely to have purchased all four California Summer Fruits.
- Among respondents who purchased any of the four fruits less frequently than the year before, the major reason was related to the condition of the fruit in the market.

III. DETAILED FINDINGS

For an advertising campaign to have substantial impact on attitudes and behavior, two objectives must be met:

- A large percentage of the target audience must be exposed to the advertising and pay sufficient attention so that some meaningful communica-

tion takes place. In addition, the more different executions an individual sees, the better, in terms of potential effect.

- The advertising must not only achieve awareness and communication, but it must stimulate favorable attitude shifts and behavioral changes among people who prove awareness of it.

Neither factor by itself—awareness or persuasiveness—will accomplish beneficial results. Both are necessary.

A. Advertising Awareness

1. Proved Awareness Scores:

The Individual Ads and Commercials

The basic measurement for individual ads or commercials is the proved awareness score—the percentage of the total sample who prove they have seen the ad or commercial and associate it with the correct advertiser.

See Following Chart: Television, radio and point-of-purchase all made important contributions to the campaign. The outdoor advertising did not make a major contribution.

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

Proved Awareness of Individual Media

Television	<u>[bar graph]</u>	51%
Radio	<u>[bar graph]</u>	37%
Outdoor	<u>[bar graph]</u>	11%
Point of purchase	<u>[bar graph]</u>	48%

2. Net Campaign Awareness

The term "net campaign" awareness" refers to the percentage of the sample who proved awareness of at least one commercial or ad in the 1987 California Summer Fruits campaign.

The following criteria indicate the levels of net awareness associated with campaigns that provide a basis for substantial sales effectiveness.

Evaluative Criteria

<u>Net Awareness</u>	<u>Evaluation</u>
Over 80%	Exceptional
50% to 80%	Satisfactory
25% to 50%	Questionable
Under 25%	Unsatisfactory

These evaluative criteria are not *norms* (in the sense of average scores achieved by other campaigns), but represent levels of awareness needed to provide a basis for campaign effectiveness (assuming, of course, that the advertising is persuasive among those aware of it).

See Following Chart: The 1987 California Summer Fruits Campaign achieved a level of proved awareness sufficient to provide a basis for substantial sales impact.

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

Proved Campaign Awareness

Any media
advertising

[bar graph] 65%

Media ads
plus P-O-P

[bar graph] 80%

CALIFORNIA SUMMER FRUITS 87 ADVERTISING
Proved Campaign Awareness Compared to Earlier
Years

1987	[bar graph]	80%
1984	[bar graph]	77%
1983	[bar graph]	43%
1978	[bar graph]	32%
1977	[bar graph]	38%
1976	[bar graph]	35%

B. Advertising Impact

In this section of the report we analyze the effect of the advertising on the purchase of the four California Summer Fruits. This analysis is based on comparisons between respondents who proved awareness of the advertising with those who saw none of the ads.

Two criteria are examined:

How often the respondent purchased the fruit during the Summer of 1987.

Whether the respondent purchased the fruit more often than during the Summer of 1986.

See Following Charts:

- The advertising substantially increased the frequency of purchasing nectarines and pears. To a lesser extent the advertising increased the frequency of purchasing peaches and plums.
- Respondents aware of the ads were more likely to have purchased all four California Summer Fruits.
- Among respondents who purchased any of the four fruits less frequently than the year before, the major reason was related to the condition of the fruit in the market.

Advertising, of course, can build intention to purchase, but if the fruit is not in satisfactory condition, people will not act on their pre-dispositions to buy.

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

Ad effect on frequency of purchase: PEACHES

Proved Aware, CSF Ads

Total Sample



None



Any

% increase
over "no-
ad" groupBought peaches more than once a month

[bar graph] 50%

[bar graph] 60% 120%

[bar graph] 58% 116%

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

Ad effect on frequency of purchase: NECTARINES

Proved Aware, CSF Ads

Total Sample



None



Any

% increase
over "no-ad"
groupBought nectarines more than once a month

[bar graph] 24%

[bar graph] 37% 154%

[bar graph] 35% 146%

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

Ad effect on frequency of purchase: PLUMS

Proved Aware, CSF Ads

Total Sample ■	None ●	Any ○	
			% increase over "no-ad" group
<u>Bought plums more than once a month</u>			
● [bar graph]	29%		
○ [bar graph]	33%	114%	
■ [bar graph]	32%	110%	

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

Ad effect on frequency of purchase: PEARS

Proved Aware, CSF Ads

Total Sample ■	None ●	Any ○	
			% increase over "no-ad" group
<u>Bought pears more than once a month</u>			
● [bar graph]	24%		
○ [bar graph]	-	37%	154%
■ [bar graph]	34%	142%	

CALIFORNIA SUMMER FRUITS 87 ADVERTISING

Ad effect: Purchased all four California Summer Fruits

Proved Aware, CSF Ads

Total Sample

None

Any

% increase
over "no-ad"
group

■ [bar graph] 33%

● [bar graph] 42% 131%

■ [bar graph] 40% 125%

C. FRUIT PURCHASES COMPARED TO LAST YEAR

In net terms, respondents reported purchasing peaches and plums less often than last year, and about the same amount of pears and nectarines.

The main reason for purchasing less fruit: the appearance or condition of the fruit in the market.

Secondary reasons:

"Personal" reasons, such as "family member who liked the fruit no longer lives at home", etc.

Price: A minor reason with peaches and plums; a more important factor in failure to purchase pears and nectarines this year compared to last year.

Advertising cannot, of course, do much to overcome these types of reasons for failing to purchase.

CALIFORNIA SUMMER FRUITS 87 ADVERTISING
Purchases compared to last year

	Same ■	More ☺	Less ▲	Net More/ Less Less
Peaches	■ [bar graph] 54	☺ 18	▲ 28	-10
Plums	■ [bar graph] 68	☺ 11	▲ 21	-10
Pears	■ [bar graph] 62	☺ 18	▲ 20	-2
Nectarines	■ [bar graph] 68	☺ 15	▲ 17	-2

CALIFORNIA SUMMER FRUITS 87 ADVERTISING
Reasons for buying less fruit this year

	■ = Condition of fruit	☺ = Personal Reasons	▲ = Price
Peaches	■ [bar graph] 68	☺ 25	▲ 7
Plums	■ [bar graph] 71	☺ 24	▲ 5
Pears	■ [bar graph] 49	☺ 34	▲ 17
Nectarines	■ [bar graph] 67	☺ 8	▲ 25

EVANS

Evans/San Francisco, Inc.
Advertising • Public Relations

690 Fifth Street
San Francisco, CA 94107
(415) 957-0300

CLIENT: CALIFORNIA SUMMER
FRUITS®
JOB NO.: CSF-268
DATE: 1/19/88, Rev. 2
JOB TITLE: 3-Fruit Intro/Truck
SIZE/LENGTH: 30
SFX: TRUCK ENGINE UNDER
ANNOUNCER

AXTON: At a supermarket near you, in the dim
(:13) light of dawn, a truck is making a
delivery. Now they're opening up the
doors (SFX) and (SHOUTS OVER
MUSIC) summer can begin! *MUSIC:*
BRASS BAND VERSION OF CSF
JINGLE. SFX: CHEERS, AP-
PLAUSE. (CONTINUE MUSIC UN-
DER.)
Fresh peaches, plums and nectarines are
here again!

SINGERS: SUMMER, SUMMER FRUITS FROM
(:07) CALIFORNIA FRESH FROM THE
TREE, TASTE THEM AND SEE.
(CONTINUE MUSIC UNDER.)

AXTON: Yes, taste them soon and taste them
(:10) often, because the sweet fruits of
summer, like summer itself, are here for
all too short a time. Fresh peaches,
plums and nectarines . . . from the
growers of California Summer Fruits.
(END MUSIC.)

JOB NO.: CSF-268
DATE: 1988 Radio—
JOB TITLE: CSF Nostalgia/Peaches
SIZE/LENGTH: 30
SFX: TRUCK ENGINE UNDER
ANNOUNCER

*MUSIC: INSTRUMENTAL, OPENING
PHRASE OF JINGLE.*

AXTON: When you bite into a big, juicy peach,
what memories come to mind?
SFX: BITING AND SLURPING.

SINGERS: SUMMER, SUMMER FRUITS FROM
CALIFORNIA

AXTON: The first time you danced with a girl,
one Fourth of July?

SINGERS: SUMMER, SUMMER FRUITS FROM
CALIFORNIA
SFX: SLURPING, ETC.

AXTON: Or the last, long summer before you
went to college?

SINGERS: SUMMER, SUMMER FRUITS FROM
CALIFORNIA

AXTON: Refresh the memory . . . bite into a fresh,
juicy California peach again soon, before
they leave you for another year.

SINGERS: DELICIOUS NATURALLY

AXTON: From the growers of California Summer Fruits.

JOB NO.: CSF-268
 DATE: 1988 Radio—
 JOB TITLE: CSF Nostalgia/Plums
 SIZE/LENGTH: 30
 SFX: TRUCK ENGINE UNDER
 ANNOUNCER

*MUSIC: INSTRUMENTAL, OPENING
 PHRASE OF JINGLE.*

AXTON: When you savor the juice of a fresh, ripe plum— what memories come to mind?
SFX: BITING, SLURPING.

SINGERS: SUMMER, SUMMER FRUITS FROM CALIFORNIA

AXTON: Going out to Gramma's place for picnics?

SINGERS: SUMMER, SUMMER FRUITS FROM CALIFORNIA
SFX: SLURPING, ETC.

AXTON: Or the boy you met one summer, and never saw again?

SINGERS: SUMMER, SUMMER FRUITS FROM CALIFORNIA

AXTON: So many memories, so many different kinds and flavors of California plums. They await you now—refresh the memory.

SINGERS: DELICIOUS NATURALLY

AXTON: From the growers of California Summer Fruits.

JOB NO.: CSF-268
 DATE: 1988 Radio—
 JOB TITLE: CSF Nostalgia/Nectarines
 SIZE/LENGTH: 30
 SFX: TRUCK ENGINE UNDER
 ANNOUNCER

*MUSIC: INSTRUMENTAL, OPENING
 PHRASE OF JINGLE.*

AXTON: Remember the first time you tasted a sweet, fresh nectarine?
SFX: BITING AND SLURPING.

SINGERS: SUMMER, SUMMER FRUITS FROM CALIFORNIA

AXTON: Was it the time you first kissed a boy, and like it?

SINGERS: SUMMER, SUMMER FRUITS FROM CALIFORNIA
SFX: SLURPING, ETC.

AXTON: Or the summer Dad taught you how to hook a trout?

SINGERS: SUMMER, SUMMER FRUITS FROM CALIFORNIA

AXTON: Remember why they're called nectarines? Refresh the memory. Fresh California nectarines are here again to sweeten your summer.

SINGERS: DELICIOUS NATURALLY

AXTON: From the growers of California Summer Fruits.

JOB NO.: CSF-268
 DATE: 1988 Radio—
 JOB TITLE: Station Annncr/3-Fruit Arrival
 SIZE/LENGTH: 30
 SFX: TRUCK ENGINE UNDER
 ANNOUNCER

*MUSIC: INSTRUMENTAL, OPEN-
 ING PHRASE OF JINGLE.*

AXTON: When you bite into the sweet softness of
 a Bartlett pear, what memories come to
 mind?
SFX: BITING AND SLURPING.

SINGERS: SUMMER, SUMMER FRUITS FROM
 CALIFORNIA

AXTON: Your first camping trip—in your own
 back yard?

SINGERS: SUMMER, SUMMER FRUITS FROM
 CALIFORNIA
SFX: SLURPING, ETC.

AXTON: Or double-dating at the drive-in in the
 family car?

SINGERS: SUMMER, SUMMER FRUITS FROM
 CALIFORNIA

AXTON: Fresh Bartlett pears from California are
 in your store again—ready to ripen into
 a sweet summer treat. Refresh the
 memory.

SINGERS: DELICIOUS NATURALLY

AXTON: From the growers of California Summer
 Fruits.
MUSIC: JINGLE UNDER.

ANNCR: Be first to taste the first of the crop.
 (:08) California Summer Fruits have arrived
 in volume at (STORE NAME). Fill your
 fruit bowl now with fresh peaches and
 plums and nectarines.

SINGERS: FRESH FROM THE TREE, TASTE
 (:03) THEM AND SEE

ANNCR: Which do you like the best—peaches,
 (:14) plums or nectarines? Well, let's not play
 favorites, let's just enjoy all three!
 Fresh peaches, plum and nectarines,
 three sweet signs that summer's really
 here, are ripe and ready at your (STORE
 NAME) now.

SINGERS: SUMMER, SUMMER FRUITS
 (:05) IT WOULDN'T BE SUMMER WITH-
 OUT THEM.
 (FADE SINGERS.)

P.O. Box 707

APR 13, 1988
 Phones:
 (209) 638-2531
 L.D. 638-6802

ITO PACKING CO., INC.
 Grower Packer Shipper
 South and Reed Avenues
 Reedley, California 93654

April 13, 1988

Mr. Raymond V. Pisciotta
 Director of Merchandising
 P.O. Box 255383
 Sacramento, CA 95865-5383

RE: Trade Communication Comment

Dear Mr. Pisciotta,

Upon reading your communication with the trade I became very upset. In your statement in paragraph four:

"Several late season varieties, characterized by more red blush color than other historical late varieties, will be available in August continuing into September."

Your statement makes our Red Jim Nectarine sound like it is obsolete. Who are you to make a statement which indicates these varieties will be the new varieties which will replace ours? The industry needs you like I need a hole in the head. Our variety is

still superior to the ones you have noted. The industry is constantly ostracizing my company because they know the marketing ability of our product which should be between 600,000 to 800,000 boxes. In the past we have given you a carte blanche on your marketing programs but no longer. Your position will be scrutinized to the tooth and nail along with your entire program. I will personally see to it as a standing member of the peach and nectarine board.

Sincerely,
 ITO PACKING CO., INC.

/s/ JIM ITO
 JIM ITO
 President

Facts fresh from
the tree!

CALIFORNIA BULLETIN #1 - SPRING UPDATE

The winter of 1987-88 brought adequate dormancy to most stone fruit varieties. Bloom date for most varieties were "normal" or a few days ahead of "normal". The bloom was uniform and good weather allowed for "better-than-needed" pollination. The rainfall for the production area has been only 60% of normal, but this is not expected to adversely affect the crop, nor the water supply, for this season. The lack of rainfall will contribute to fewer losses from decay and rot diseases.

The 1988 crop is now being pushed along by unseasonably warm weather and projections now indicate the 1988 harvest will start a week ahead of last year's dates. This could make 1988 the second earliest crop in the past decade, but still 5-7 days behind the 1986 crop.

Fruit set appears to be heavy for most varieties. Growers are attempting to farm for optimum sizes this year. Thinning crews have been observed in many orchards in the valley, 7-10 days ahead of normal thinning dates. Thinning practices this spring are reducing the counts on trees from their normal carrying capacities in the effort to grow

larger-sized fruit. Preliminary thinking indicates excellent volume for peaches, nectarines and plums.

Several new nectarine varieties will be more readily available in 1988, especially during May and late August-early September. Two major early varieties available this year will be Mayfire and May Glo. Several late season varieties, characterized by more red blush color than other historical late varieties, will be available in August continuing into September. These will include August Red, Flaming Red, Scarlet Red, September Red and Sparkling Red.

California
Summer Fruits'

[logo omitted]

[logo omitted]

California Tree Fruit
Agreement

April 19, 1988

Mr. Jim Ito
President
Ito Packing Co., Inc.
Post Office Box 707
Reedley, California 93654

Dear Jim:

I just received your letter in regard to our California Bulletin #1 Spring Update. I personally reviewed the bulletin and approved its content and take full responsibility for whatever misunderstanding may have occurred. The Red Jim nectarine is certainly not obsolete and this was not the intent of the letter or the perception which we tried to convey. Our reference to "historical" varieties was aimed at varieties such as Fairlane, Flamekist, Autumn Grand and Late Le Grand.

During our recent merchandising trips around the country, one of the areas addressed by retailers was the need for better communication between CTFA and the industry. This letter was our first attempt to provide valuable information to retailers to help them

in anticipation of the coming season. There was never any intent to downplay any variety but only to let retailers know that the industry is aware of the need for late-season red varieties. In fact, on our trips several retailers commented positively about the Red Jim and of course your own efforts to develop that variety into a mainstay in the nectarine industry. The Red Jim is certainly well known nationwide and its popularity will increase due first and foremost to the high quality standard that you have maintained in your pack, the flavor and appearance of the Red Jim generally and your own merchandising efforts.

Jim, your statement that our programs will be scrutinized by you as member of the peach and nectarine committees is appreciated. I feel that our programs must continually be scrutinized by committee members, by shippers and by growers in order to progress and continue to serve the best interests of the industry. Whatever information you may need to help you in evaluating our programs will be made readily available. I assure you that this organization has always held Ito Packing Co. in the highest regard. Oftentimes, because of the quality of your packs, we have selected fruit from Ito Packing for our advertising and promotion efforts. We hope in the future to improve our longstanding relationship and

to work jointly to the benefit of all nectarine shippers and growers. If I may be of any service, please call.

Sincerely,

/s/ JONATHAN W. FIELD
JONATHAN W. FIELD
Manager

JWF:kj

cc: Management Services
Gary Van Sickel

MINUTES

PEACH COMMODITY COMMITTEE NECTARINE ADMINISTRATIVE COMMITTEE PLUM COMMODITY COMMITTEE

PROMOTION AND RESEARCH

Fresno, California

May 4, 1988

A joint meeting of the Peach, Nectarine and Plum Committees was held on Wednesday, May 4, 1988, at the Piccadilly Inn Airport in Fresno, California. The meeting was called to order at 8:30 am by Promotion Subcommittee Chairman Roger Wood. He announced the meeting schedules for May 4 and 5 and then introduced Dr. Ted DeJong who works with the Cling Peach Advisory Board Liaison Committee. Dr. DeJong was standing in for Scott Johnson to explain University and USDA research proposals.

Research

* * * * *

Promotion

Mr. Field then introduced Robyn Wilk, Director of Advertising for CTFA. Ms. Wilk introduced members of the CTFA staff from both the Sacramento and Dinuba offices. She then directed attention to the proposed market development budgets for the three

stone fruits for 1988-89 (attached). These included a budget for peaches of \$1,225,435, for plums \$1,831,459 and for nectarines \$1,761,886. These budgets were predicated on an estimated 14 million packages of peaches at 18¢ per package, 17 million packages of plums at 19¢ per package and 17 million packages of nectarines at 18¢ per package. Mr. Wilk also pointed out that a trial promotional budget for pears will be reviewed by the Pear Commodity Committee the latter part of June.

Ms. Wilk announced that the format of the market development presentation was different than it had been in previous meetings. She stated that in the past twelve years CTFA has invested over a half million dollars in marketing research studies. The Communicus studies, for example, have been used to establish the level of advertising expenditure that is necessary to be effective. Studies by RMC International used focus groups and interviews to give a better understanding of what motivates users to buy. The 1985 National Eating Trends study conducted by NPD developed profiles of consumption behavior based on 12,000 representative households nationally. The follow-up NPD/Prizm study links the National Eating Trends information with an even larger national data base into 40 different lifestyle clusters. The Kansas City study links the services of both NPD and Communicus. This study tracked fruit purchases of 700 households throughout the season. Finally, the recently completed 1988 Retailer Research involved interviews with 25 major super-markets and distributors representing nearly 40% of U.S. food store sales. Ms. Wilk urged those members of the audience that were unable to attend the

presentation of the retailer research by Mr. Erv Thuerk to pick up available copies of the research summary as well as audio cassettes.

Ms. Wilk proceeded to present some of the most important findings of the studies. Todd Norgaard from Evans/San Francisco, Deborah Beall and Ray Pisciotta of the CTFA staff were introduced to explain how the information was being used to construct our advertising, consumer services and merchandising programs. Ms. Wilk pointed out that current heavy users of California Summer Fruits® tend to be 45 years old and over, above average in education and income, and live in highly urban areas. They are generally classified as naturalists, diet conscientious and sophisticates. Behaviorly they are nutritionally fit and busy urbanites. Developing new users in the 25 to 44 age group provides the greatest potential for increasing future sales.

Mr. Norgaard stated that this information was applied to both selecting and planning the media and in creating advertising messages. He then summarized the network and spot radio programs for the 1988 summer season and pointed out an added national component to the television schedule for this year—spots on three national cable networks. He stated that he relied on the NPD/Prizm study to define the television markets that give the highest concentration of current and prospective heavy buyers of the fruits.

The plum television spot was played. Ms. Wilk followed the spot with a statement that one of the more dramatic findings from last year's Kansas City study

was the effect on sales from early fruit buyers. The study shows the earlier the buyer enters the market the higher the likelihood of that buyer becoming a committed heavy buyer during the season. Early buyers are more likely to become buyers of two or more of the fruits. This study was reviewed by the Promotion Committee in March, and based on this information they recommended that the advertising schedules be moved earlier. The resulting proposed schedule was then presented by Mr. Norgaard showing eighteen weeks of national network radio beginning May 16, with spot radio, cable and spot television starting one week later running in three flights.

Ms. Wilk then turned to research from RMC/Communicus which indicated that nostalgia can be an effective consumer "hot button" for selling the fruits. Mr. Norgaard pointed out that we know the importance of eye appeal, and that the fruits are sweet and juicy and naturally good for you, but when it was discovered that nostalgia was also an important and powerful influence, this approach was built into our television commercials. Ms. Wilk went on to the focus group finding that peaches, plums, nectarines and Bartlett pears are more appealing when shown together. This effect is labeled "the fruit bowl effect" and it is confirmed by the fact that the heaviest buyers have a greater tendency to buy two or more of the fruits. Mr. Norgaard followed with examples of presentations of four fruits in the same picture.

Ms. Wilk stated that the proposed advertising campaign for this season for all four fruits is budgeted at \$865,000 for national network radio, \$250,000 for spot

radio, \$150,000 for national cable television and \$2,180,000 for spot television for a total media advertising budget of \$3,445,00. Ms. Wilk stated that the total for media advertising divided by the various fruits is shown on the budget sheets under the heading of radio and television media and totals by commodities are: peaches \$726,000, plums \$1,207,000, nectarines \$1,215,000 and Bartlett pears \$297,000 for a total of \$3,445,000.

Ms. Wilk then introduced Deborah Beall and stated that marketing research has helped Ms. Beall in developing a more effective consumer services program. Ms. Beall began her series of slides on the consumer program by stating that consumers "buy by eye." She said that visuals are very important and the placement of visuals among consumers is equally important. She pointed out that a package was recently sent to the trade with materials based on the theme of "Celebrate Summer" to further exploit the benefits of visual media. Celebrate Summer themes will be seen in 18 magazines this season. In addition, Ms. Beall pointed out that lugs of California Summer Fruits® will to be sent to 60 radio and television personalities in June to provide for live exposure of summer fruits to national television and radio audiences. Ms. Beall has also provided material to United Fresh Fruit & Vegetable Association to aid in producing their consumer videos for plums and peaches. She also pointed out that full color posters for all four of the summer fruits have been produced for this season and that samples were available.

Ms. Beall capitalized on the nostalgia theme in her consumer work. After a comment from Ms. Wilk

about defining groups and targeting selective groups through special appeals, Ms. Beall reiterated the importance of magazines in reaching select groups. She described a five day stone fruit tour for thirteen consumer food editors nationwide which will take place this June in the San Joaquin Valley.

Ms. Beall also indicated a spa theme leaflet has been produced this year and emphasized that the cookbook, *Recipes for Success*, had met with strong positive consumer response when it was offered at retail level. A summer fruits comic book designed to appeal to school age children received 350,000 requests from schools and pre-schools. Ms. Beall also touched on the opportunity for reaching Spanish speaking groups in some highly urban areas as well as the opportunity to reach consumers through recipe use. She stated that nutrition information is an important part of this mix, and the Retailer study shows that "consumers want both more recipes and more nutrition information at point-of-sale."

Ms. Wilk introduced Mr. Ray Pisciotta, Director of Merchandising, who expanded on the importance of visual appeal of summer fruits. He pointed out that displays were being built by major factors throughout the entire summer and stated that summer fruits displayed together urged consumers to buy all three stone fruits. He added that new point-of-sale materials had been produced, again with the nostalgia theme in mind. In regard to point-of-sale, Mr. Pisciotta stated that a test was being done with an outside merchandising agency which would help monitor displays using CTFA point-of-sale materials.

Mr. Pisciotta emphasized the importance of the field staff and stated that constant contact with CTFA was maintained by means of bulletins and mailgrams. He stated that the No-Contest Contest, beginning May 27, would run for an 18-week period. The field staff, Mr. Pisciotta added, also plays a role in monitoring quality, point-of-sale and in building and maintaining displays through the No-Contest Contest. An excerpt from the new video game show tape was played. The video tape ended with the feature that "four sell more" to encourage consumers to buy more fruits on impulse. Tear-off recipe pads are available for retailers to use at point-of-sale. In addition, a retail kit was displayed with line art, transparencies and many other features to assist retailer's in developing their own newspaper and TV ads. Mr. Pisciotta pointed to in-store sampling of summer fruits as being a highly successful method of increasing sales. Referring to the importance of Hispanic consumers, Mr. Pisciotta stated that it was a misconception that all Hispanics are in California. They also reside throughout the Southwestern states and in other parts of the country.

Ms. Wilk concluded her presentation by stating that the Kansas City study indicates that buyers of California Summer Fruits® are more concerned with quality than with price and stated finally that the retailer research efforts indicated that "consumers, retailers, handlers, sellers and growers would all benefit from improved industry communications."

Mr. Ed Odrón of Lucky Stores was introduced by Ms. Wilk. Mr. Odrón is the Vice President for Produce Marketing in the Northern area. He began his career

in 1965 with Lucky at Eagle stores in the Midwest. His experience includes field buying, quality control and merchandising. He is also the Chairman of the Merchandising Board for United Fresh Fruit and Vegetable Association.

Mr. Odron stated that he was impressed with the morning presentation. He said that he sees many presentations in the trade and that the program presented by CTFA was excellent. He further pointed out that his address for the day virtually paralleled the findings of CTFA. Lucky spends hundreds of thousands of dollars on consumer research and concluded their findings were very similar to those of the CTFA studies.

There are 165 Lucky stores in Mr. Odron's area, ranging from Tulare to Crescent City, with warehouses in San Leandro and Sacramento. Mr. Odron presented a series of slides which illustrated the level of quality maintained in the Lucky produce departments. He stated that surveys showed that a store's quality was considered synonymous with the quality of its produce department.

Mr. Odron proceeded to make a number of observations about today's consumer. Consumers prefer fresh fruit to canned fruit and that value to today's consumer does not necessarily mean low price. With more women in the work force, we now have a different family structure with 40% of today's buyers in the supermarket being male.

Mr. Odron stated that the consumer seems to have more money than time. Thus he is looking for a

quality product to buy and is not so concerned about price. Studies show that 28 is the median age for consumers and that the median age is continuing to rise. The effect on the produce department is a concern that prefers products that are low in sodium, low in calories, fresh, healthy and nutritious. Because of the active lifestyle of young consumers, big meals are a thing of the past and the phenomenon of grazing, or eating several "non-meals" during the day has become a common way of eating. Fresh produce sales have boomed in the last decade as a result of this social change. Mr. Odron stated that summer fruits meet all the criteria for this consumer group.

Mr. Odron then presented slides of a new Lucky store recently constructed where their consumer research was put to good use. His slides illustrated very effective utilization of neon lighting and complementary colors chosen with an eye to nostalgia. He mentioned that an older store might have had a wet rack 48 feet long, newer stores might have wet racks 100 feet long. 250 to 260 varieties of produce are displayed in a modern store compared with the fifty to sixty items displayed in the 1940's. Ethnic demographics were considered by Lucky on a store-to-store basis.

Mr. Odron stated that he looked forward to the opportunity of the summer season, that the summer fruits replace citrus fruits as the center stage items in the produce department. Pointing out the success of the video display at point-of-sale for pineapples, Mr. Odron said that prior to using the 30-second video tape he sold 10 cases of pineapples per week in a particular store. During the period in which the

video tape was used at point-of-sale the same store sold 50 cases of pineapples per week. He strongly encouraged CTFA to produce point-of-sale videos. He stated that they were not only good for consumer sales but for training of produce department personnel in terms of rotation, order control and display techniques. He went on to state that there was a shortage of video equipment in his stores and he was constantly vying with managers from other departments for use of the video equipment.

Mr. Odron then made a number of points which would assist the grower/shipper in knowing what was required at the supermarket level. Larger sizes of fruit were definitely required not so much by the buyer but by the consumer. However, he said that consistency and uniformity were equally important and that there was always a place for value and not just size. He mentioned that bagging would be a possible vehicle for moving small fruit but since wages in his stores equated to 40¢ per minute for employee, the thought of bagging small fruit in the store was precluded.

He stated that if we have good varieties that lack color then perhaps we must educate the consumer that quality is there. He cited the analogy of frosted artichokes being promoted as "frost-kissed." He firmly reinforced that we must strive, for better maturity as consumers are hungry for summer fruit and if they buy immature fruit at a high price they will not return to buy when more fruit is available and maturity is good. He urged growers to ensure good maturity on early varieties.

Turning to plum sizing, Mr. Odron said that the industry must come up with a better sizing nomenclature for the sake of younger people working in produce departments. In reference to advertising Mr. Odron said that CTFA must reach younger people with our fresh fruit advertising and said that the CTFA comic book is a good example of an effective means to do this. He also complimented CTFA for its Recipes for Success cookbook as an excellent tool for consumer education. He stressed that his store needs help in putting ads together far in advance of the season schedule, that he needs an early schedule of the windows that were available for ads matched up with variety peaks. He said that without a schedule far enough in advance he cannot appropriate the space available in his store's schedule to run ads for summer fruits. He went on to say that he can pull an ad if fruit isn't available at the last minute but he can't put an ad in the paper at the last minute.

Mr. Odron touched on the pesticide issue stating that he felt that we have good agencies in place in the form of the Department of Agriculture and the EPA and that he feels fruit available to the consumer is safe. However, doubt in consumers minds can jeopardize the entire industry so the growers must do the best job possible and follow the rules. He concluded by saying that retailers truly look forward to the summer fruit season and that the retailer and the grower/shipper community need to develop a better understanding of each other's opportunity areas.

Roger Wood then opened the question period by referring to the low prices obtained from last year's big crops stating that it seemed to him that retail

prices remained disproportionately high. Mr. Odron did allow that retailers had experienced increased operational costs in past years but stated that given advance notice of big volume that retailers looked forward to moving this kind of volume because they are definitely sales driven.

In response to a question about sampling or in-store demos, Mr. Odron answered that in-store demos sell product even if the product is familiar. He cited the example of some red delicious apples which had no surface color which nevertheless sold very well last season because in-store sampling was used as a sales tool. He said that a big opportunity existed in terms of the number of varieties of plums available for sampling.

A question was posed regarding the retail research finding which said that darker plums moved best. He answered that perhaps this just reflects patterns of behavior, that many red plums such as Santa Rosas still move very well. Mix and match promotions entice people to try other colors of plums.

Ms. Wilk mentioned her concern that varieties have been mismarked when she has entered a Lucky store. He responded that Lucky now sells plums as red, black or green and that he was not without opportunities to merchandise varieties. When Ms. Wilk asked how can CTFA help in this regard, Mr. Odron answered that it could provide variety charts to hang over the display area and then follow up by assisting in the signing effort.

In response to another question, Mr. Odron stated that big size fruit sells better, but with a recognized size difference small fruit will also move well. Furthermore, he stated that basic movement on large or small sizes was keyed to value.

Mr. Kozuki asked what he as a grower can do when fruit backs up in the cooler. Mr. Odron answered that if he were to be given a phone call that Lucky would respond the best they can. He cited an example of the desperate asparagus grower who called in with an emergency. Displays were set up in all their stores and three loads of asparagus were moved in three days. Mr. Odron stated that given the information as soon as possible he would make every effort to respond to moving emergency volume.

Mr. Wood then thanked Mr. Odron for the time involved in the preparation of such an excellent presentation and for his definite support of the summer fruits program.

Mr. Wood again repeated the schedule for the following meetings on Wednesday and Thursday. There being no further business the meeting was adjourned.

Respectfully submitted,

DAVID S. PARKER
Assistant Secretary

7/11/88
Attachments

	1987-88 <u>Budget</u>	1987-88 <u>Expenses</u>	1988-89 <u>Budget</u>
Field Staff Activities	85,000	81,728	96,000
Retail Advertising			
Incentives	85,000	85,855	98,000
Trade Communications	39,000	34,333	27,200
Retail Projects	40,000	36,254	22,500
POS Materials	22,000	24,297	25,300
Publicity, Education Activities	40,000	45,131	59,100
Foodservice Activities	46,500	36,210	32,500
TV, Radio Production	38,350	54,023	56,000
TV Advertising	398,510	422,807	456,135
Radio Advertising	228,290	214,346	220,000
Outdoor Advertising	37,800	41,766	
Canadian Promotion	17,500	16,182	80,000 ⁽⁴⁾
Advertising Research	29,700	29,879	2,500
Merchandising Research			10,750
Promotional Expense			22,500
Hispanic Promotion			6,950
Miscellaneous	<u>13,500</u>	<u>35,984</u>	<u>10,000</u>
Total	1,121,150 ⁽¹⁾	1,158,795 ⁽²⁾	1,225,435 ⁽³⁾

Estimated Balance Forward 3/1/88: 201,074

5/4/88

PLUM COMMODITY COMMITTEE
PROPOSED MARKET DEVELOPMENT
BUDGET 1988-89

	1987-88 <u>Budget</u>	1987-88 <u>Expenses</u>	1988-89 <u>Budget</u>
Field Staff Activities	98,000	94,255	112,000
Retail Advertising			
Incentives	100,000	151,013	189,750 ⁽⁵⁾
Trade Communications	39,000	34,512	27,200
Retail Projects	40,000	36,410	22,500
POS Materials	31,000	32,307	35,600
Publicity, Education			
Activities	40,000	50,543	59,100
Foodservice Activities	46,500	45,644	32,500
TV, Radio Production	39,350	55,185	63,000
TV Advertising	593,730	616,805	850,719
Radio Advertising	365,320	335,140	306,390
Outdoor Advertising	37,800	41,765	
Canadian Promotion	25,900	24,860	80,000 ⁽⁴⁾
Promotion Research	29,700	29,878	2,500
Merchandising Research			10,750
Promotion Expense			22,500
Hispanic Promotion			6,950
Miscellaneous	<u>13,500</u>	<u>36,583</u>	<u>10,000</u>
Total	1,499,800 ⁽¹⁾	1,584,900 ⁽²⁾	1,831,459 ⁽³⁾

- (1) Amended to 1,584,950 on 12/9/87
- (2) Direct promotional expenses @ 17,317,000 pkgs. =
.09152 per pkg.
- (3) Direct promotional expenses @ 16,000,000 pkgs. =
.10773 per pkg.
@ 16,500,000 pkgs. =
.10175 per pkg.
@ 17,000,000 pkgs. =
.09639 per pkg.
- (4) Application made for State matching funds
- (5) Includes Plum-A-Rama Promotion (\$75,000)
- Estimated Balance Forward 3/1/88: 619,114

5/4/88

NECTARINE ADMINISTRATIVE COMMITTEE
PROPOSED MARKET DEVELOPMENT
BUDGET 1988-89

	<u>1987-88</u> <u>Budget</u>	<u>1987-88</u> <u>Expenses</u>	<u>1988-89</u> <u>Budget</u>
Field Staff Activities	102,000	97,630	112,000
Retail Advertising			
Incentives	100,000	101,115	114,750
Trade Communications	39,000	34,512	27,200
Retail Projects	40,000	36,419	22,500
POS Materials	31,000	32,307	35,600
Publicity, Education			
Activities	40,000	48,768	59,100
Foodservice Activities	46,500	51,626	32,500
TV, Radio Production	39,350	54,854	61,000
TV Advertising	608,860	630,653	858,146
Radio Advertising	392,010	360,375	306,390
Outdoor Advertising	37,800	41,765	
Canadian Promotion	26,600	24,416	80,000 ⁽⁴⁾
Promotion Research	29,700	29,878	2,500
Merchandising Research			10,750
Promotion Expense			22,500
Hispanic Promotion			6,950
Miscellaneous	<u>13,500</u>	<u>35,983</u>	<u>10,000</u>
 Total	 1,546,320 ⁽¹⁾	 1,580,301 ⁽²⁾	 1,761,886 ⁽³⁾

⁽¹⁾ Amended to \$1,587,310 on 12/9/87.

⁽²⁾ Direct promotional expenses @ 16,872,000 pkgs. =
.09366 per pkg.

⁽³⁾ Direct promotional expenses @ 16,500,000 pkgs. =
.10678 per pkg.
@ 17,000,000 pkgs. =
.10364 per pkg.
@ 17,500,000 pkgs. =
.10068 per pkg.

⁽⁴⁾ Application made for State matching funds

Estimated Balance Forward 3/1/88: 314,982

05/4/88

PEAR COMMODITY COMMITTEE
PRELIMINARY PROMOTIONAL BUDGET 1988-89

	1987-88 <u>Budget</u>	1987-88 <u>Expenses</u>	1988-89 <u>Budget</u>
Field Staff Activities ⁽⁴⁾	70,000	63,659	80,000
Retail Advertising			
Incentives ⁽⁴⁾	65,000	65,709	62,500
Trade Communications	39,000	43,184	43,400
Retail Projects	40,000	36,252	22,500
POS Materials ⁽⁴⁾	16,000	16,603	18,500
Publicity, Education			
Activities	55,000	67,888	47,700
Foodservice Activities	46,500	36,008	32,500
TV, Radio Production	16,700	15,968	25,000
TV Advertising ⁽⁵⁾	15,000	15,000	15,000
Radio Advertising	279,040	265,625	282,220
Canadian Promotion ⁽⁶⁾			30,000
Outdoor Advertising	26,600	26,639	
Advertising Research	20,900	21,171	2,500
Merchandising Research			10,750
Promotion Expense			22,500
Hispanic Promotion			4,150
Miscellaneous	<u>13,500</u>	<u>25,015</u>	<u>10,000</u>
Total	703,240 ⁽¹⁾	698,721 ⁽²⁾	709,220 ⁽³⁾

⁽¹⁾ Amended to 713,800 on 1/27/88

⁽²⁾ Direct promotional expenses @ 4,387 cars = .1770 per ctn.

⁽³⁾ Direct promotional expenses @ 3,700 cars = .2130 per ctn.

@ 4,000 cars = .1970 per ctn.

@ 4,300 cars = .1833 per ctn.

⁽⁴⁾ Item shared with Northwest. Budgets based on 50% CA/50% NW.

⁽⁵⁾ Grant to stone fruits.

⁽⁶⁾ Application made for State matching funds

Balance Forward 3/1/88: 183,352

5/4/88

CALIFORNIA SUMMER FRUITS¹ PROPOSED PROMOTIONAL EXPENSES 1988-89

	Peaches		Plums		Nectarines		Pears		Total	
	1987-88 Expenses	1988-89 Budget	1987-88 Expenses	1988-89 Budget	1987-88 Expenses	1988-89 Budget	1987-88 Expenses	1988-89 Budget	1987-88 Expenses	1988-89 Budget
Field Staff Activities	81,728	96,000	94,255	112,000	97,630	112,000	63,659 ¹	80,000	337,272	400,000
Retail Advertising Incentives	85,855	98,000	151,013	189,750	101,115	114,750	65,709 ²	62,500	403,692	465,000
Trade Communications	34,333	27,200	34,512	27,200	34,512	27,200	43,184	43,400	146,541	125,000
Retail Projects	36,254	22,500	36,410	22,500	36,419	22,500	36,252	22,500	145,335	90,000
POS Materials	24,297	25,300	32,307	35,600	32,307	35,600	16,603 ¹	18,500	105,514	115,000
Publicity, Education Activities	45,131	59,100	50,543	59,100	48,768	59,100	67,888	47,700	212,330	225,000
Foodservice Activities	36,210	32,500	45,644	32,500	51,626	32,500	36,008	32,500	169,488	130,000
TV, Radio Production	54,023	56,000	55,185	63,000	54,854	61,000	15,968	25,000	180,030	205,000
TV Advertising	422,807	456,135	616,805	850,719	630,653	858,146	15,000 ³	15,000	1,685,265	2,180,000
Radio Advertising	214,346	220,000	335,140	306,390	360,375	306,390	265,625	282,220	1,175,486	1,115,000
Outdoor Advertising	41,766		41,765		41,765		26,639		151,935	
Canadian Promotion ⁴	16,182	80,000	24,860	80,000	24,416	80,000		40,000	65,458	270,000
Promotional Research	29,879	2,500	29,878	2,500	29,878	2,500	21,171	2,500	110,806	10,000
Merchandising Research		10,750		10,750		10,750		10,750		43,000
Promotional Expense		22,500		22,500		22,500		22,500		90,000
Hispanic Promotion		6,950		6,950		6,950		4,150		25,000
Miscellaneous	35,984	10,000	36,583	10,000	35,983	10,000	25,015	10,000	133,565	40,000
Total	1,158,795	1,225,435	1,584,900	1,831,459	1,580,301	1,761,886	698,721	709,220	5,022,717	5,528,000

¹ 1987-88 expenses for these items shared with Northwest based on shipments 50.43% CA/49.57% NW.

² 35,669 shared with Northwest based on shipments 50.43% CA/49.57% NW. 30,040 for California Bartletts only.

³ Grant to stone fruits.

⁴ Application has been made for State matching funds.

5/4/88

MINUTES

SUBCOMMITTEE ON ADVERTISING
& PROMOTION

May 17, 1988

Sacramento, California

The meeting of the Subcommittee on Advertising & Promotion was called to order by Chairman Dave Elliot at 1:30 p.m. at the Red Lion Inn in Sacramento, California. Roll call was waived in favor of passing an attendance register. Those present were:

Dave Elliot	Ron Hoston	Rick Barnett
John Barr	Tom Thomas	Dennis Icardi
Phil Scully		

Also:

Kurt Kimmel	Jonathan Field	Robyn Wilk
Deborah Lane Beall	David S. Parker	Ray Pisciotta
Todd Norgaard	Patricia Makris	Edie Clark

MINUTES

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FINANCIAL REPORTS

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LITIGATION

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CROP PROSPECTS

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PROMOTION

Ms. Wilk reviewed the 1988 proposed market development budget for pears, totaling \$709,220, along with the market development budgets recently approved by the stone fruits committees (copies attached). She noted that both the Peach and Nectarine Committees had elected to increase their assessment rate from 16 to 18¢ per package. She said that due to a large crop and balance forward, plums would stay at a 19¢ assessment and had approved increased television expenditures and a Plum-A-Rama adbuy promotion to help move this year's crop.

Ms. Wilk said that the proposed promotion budget for pears has not increased dramatically over the 1987 budget. She noted increases primarily in the area of radio production and Canadian promotion. Ms. Wilk added that some of the proposed work was necessarily already underway. She pointed out for the Subcommittee's consideration that budget speculations based on the estimates put forth at this meeting with a 20¢ assessment indicated a balance forward at March 1, 1989 of \$35,840. Ms. Wilk said more than this amount is required to start a new fiscal year since substantial billings are received prior to assessment income. Responding to Chairman Elliot, Mr. Field said that at least \$900,000 was payable before assess-

ment income, a major portion of it by April 1. He added that while one committee could carry for an interim period, as plums are doing at the present time, this was not a recommended practice. Mr. Field suggested a balance forward of \$1 million dollars for all four programs would be ideal.

Market Development

Mr. Pisciotta said that the 1988 field staff meeting had concluded that morning and that CTFA will again be represented by eleven field men with the assistance of five detail men for special projects such as in-store sampling. He added that an expanded program of in-store sampling for both Bartletts and stone fruits is projected this year to stimulate increase ads, features and displays.

Mr. Pisciotta recommended a change in the Bartlett retail advertising incentive program. He suggested that for the first phase California Bartletts join in the No-Contest Contest for a special bonus period from July 17 through August 31. Participation in the Pear Bureau Bartlett adbuy program will commence September 1 until Bartletts run out.

Trade communications for Bartletts will commence July 9 with a Bartlett season introduction ad in *The Packer* and *Produce News*. Bartletts will join the stone fruits in the July issue of the *Fresh Produce Council Digest*. Mr. Pisciotta said the Bartlett advertising and Promotion Guide is scheduled for distribution to the trade within the same week.

Mr. Pisciotta reported that the new Retail Training Video had been completed on schedule and released for distribution to the trade in March. He noted that demand for training materials is high due to the continuous turnover in produce departments, adding that major retailers gear up in March and April for the summer selling season. Mr. Pisciotta displayed the new point-of-sale materials and in-store recipe pads produced for the 1988 season, stating the materials were being well-received by trade factors.

Mr. Pisciotta said that costs for in-store sampling were covered in the budgets outlined for Field Staff Activities and Advertising Incentives. He further confirmed that Bartlett sampling was undertaken by the Pear Bureau which has, this year, asked CTFA to join them. CTFA's obligation would be a percentage based on shipments as in other shared expenses. He said that sampling programs would be used only in major markets. Each fieldman is given a specific demo budget. Normally, sampling is conducted with Northwest Pear-A-Rama promotions, so Bartletts bear only 1/5 of the demo cost. Answering Mr. Scully's concerns, Mr. Pisciotta said that negative comments in the recent retailer research concerning the No-Contest Contest stemmed from their preference to receive dollars rather than premiums. He added that budget increases in Field Staff costs were due primarily to increased cost of travel, pensions and payroll.

Responding to Mr. Icardi, Mr. Norgaard said that the increases in radio and television production reflected a 10% increase in talent costs and the production of new radio commercials for 1988.

Publicity, Education Activities

Ms. Beall reported that the food-page publicity program is well underway since most food editors need a 6-month lead time for feature articles. She displayed the 1988 color selectors, in recipe box style, which have been distributed to 350 food editors across the country. Additionally, black-and-white press its containing photography, line art, recipes and editorial copy have been distributed to 800 food editors. Ms. Beall said that CTFA has cooperated with the Pistachio Commission in producing a full-page editorial feature release which has been ordered by 160 editors representing eight million circulation. A second cooperative tie-in with the Rice Council will be released later in the season.

Ms. Beall said television and radio publicity will be stepped up this season with a "First Day of Summer" promotion in twelve major markets. With the assistance of the field staff, mini-lugs of California Summer Fruits® will be delivered "on the air" to key radio and television news and talk show personalities on June 21.

Ms. Beall displayed the new California Summer Fruits® "Summer Fun" comic book with accompanying story cassette which has been produced for children in the day care and early elementary school age group. She said that originally 50,000 books had been scheduled for printing but orders had been received for 350,000. Answering Mr. Icardi, Ms. Beall said that summer camps had not been included this year but should certainly be addressed next year.

Ms. Beall said that the "Fresh Ideas" and nutritional information consumer brochures have been translated in Spanish. She stated initial distribution of these brochures will be in the Los Angeles Hispanic market in conjunction with in-store sampling in major Hispanic supermarkets. Ms. Beall showed a set of four posters, one for each commodity, produced this year to become part of the consumer publicity materials which are available upon order.

Ms. Beall announced that 13 magazine food editors have accepted CTFA's invitation to participate in a stone fruits harvest tour similar to the Bartlett tour last year. The tour will begin June 11.

Foodservice Activities

Ms. Wilk noted that the proposed foodservice activities budget was reduced from the previous year because production of the new foodservice video has been completed. She said that a number of foodservice promotions have been scheduled for the 1988 season with operators such as United Airlines and ARA, the country's largest contract feeder. The United Airlines promotion, "Salute to the Northwest" will be featured on all flights originating from Seattle during the month of July. The promotion will feature fresh California plums along with salmon, cherries and other Pacific Northwest commodities.

ARA's promotion, "Fruit-The Alternative Dessert," will run for three months—June, July and August—in the western U.S. and will feature, in turn, all four fruits. This promotion will include 200 cafeteria units and 160 vending machine accounts. Ms. Wilk

also noted that from mid-July to mid-August, Coco's Restaurants will feature California peach desserts and beverages in their 172 units nationwide. She said that Flick International, a 50-account foodservice company in New York will run a California Summer Fruits® promotion in June and July, featuring all four fruits.

Ms. Wilk stated that four new "Chef's Creations" foodservice recipe cards have been developed for 1988 to complete the series started last year. The materials are designed for upscale restaurants and feature recipes endorsed or developed by leading operators or chefs.

Ms. Wilk said that the main focus of foodservice activities for 1988 will be a foodservice research project. She noted that a number of years have passed since a study was made in 1982 and it is time to reevaluate the program which has been directed by the results of that study. She added that if CTFA is to continue a foodservice program it is necessary to look at where foodservice dollars are going and how effectively they are being spent. With a limited budget, Ms. Wilk stated, activities and funds must be targeted accurately. She said the Hale Group of Massachusetts has been selected to conduct the study, the total cost of which will be approximately \$50,000. A foodservice advisory panel of eight grower/shipper representatives met with the Hale people in April to provide input and background on our industry. Ms. Wilk said the study will be conducted during the summer season and findings will be completed in the fall.

Consumer Advertising

Mr. Norgaard presented the 1988 18-week national network radio campaign, with spot radio fill in selected markets. Bartletts are proposed to participate beginning July 17. The proposed program includes a Bartlett five-week spot radio extension in select markets commencing September 19. Mr. Norgaard added that the stone fruits' programming included spot television in eight markets and cable television on a national basis. He said cable television was very efficient in targeting our best audience.

Mr. Norgaard stated that the bulk or weight of the 1988 media campaign is centered early in the season, noting that the Kansas City research showed early season buyers buy more often and throughout the entire season. He said the media campaign must get going early in the season to establish these purchase patterns.

Ms. Wilk called the subcommittee's attention to the history of CTFA's promotional spending and allocations for media advertising. Mr. Norgaard said that in earlier years, both cable and syndicated television had been purchased in addition to spot television. Answering Mr. Thomas, Ms. Wilk said the total promotional budget proposed for 1988, all commodities, is \$5.5 million.

Mr. Norgaard pointed out that the \$30,000 proposed for CanadianPromotion is a merchandising budget and does not include media. Ms. Wilk said a meeting concerning our application for matching funds was scheduled with the State the following week and

indications were favorable. Mr. Norgaard said that media costs for the Canadian program would be an additional \$50,000 and that the existing Bartlett television commercial could be used. He added that this would be for the Toronto market only. Mr. Field estimated that \$100,000 in matching funds would be granted by the State for the Canadian promotional effort. Answering Mr. Thomas, Mr. Norgaard affirmed that the expenditures would be for the Toronto market only. He added that the original Canadian proposal, for all three of their major markets, had totaled \$408,000, \$267,000 of which represented television advertising. He said the idea was to treat Canada as a major U.S. market.

Responding to Mr. Icardi, Mr. Field said that he didn't know the total number of applications pending for matching funds, but had been informed that there were 47 new applicants this fiscal year. He added that a \$200,000 discrepancy, has been found in the State's books, so it is doubtful there will be any leftover 1987 funds, some of which we had hoped to receive. In answer to Mr. Barnett, Mr. Field said the matching funds program was similar to the FAS program but was conducted by the State. Mr. Norgaard confirmed to Mr. Elliot that the original application to the State included tracking and evaluation, primarily by assessing shipment figures. Mr. Field added that Dr. Kirby Moulton had been asked to do the study but he was doing a similar study for the Pacific Rim export program and a project for peaches which involved too much to add the Canadian project.

Mr. Thomas asked for an explanation of why Canada was chosen for extra promotion. Mr. Norgaard re-

plied that every indication shows Canada should be a great market for CTFA. He suggested that perhaps because they are farther north, summer has more impact and there is a strong demand for our fruits. Ms. Wilk commented that the total population of Canada is less than California and inquired if the subcommittee felt it was appropriate to divert funds to Canadian promotion. Mr. Thomas said that 80-85% of the pears that go to Canada are from Lake County and that it was a developed market. Mr. Norgaard stated that all research indicated that San Francisco and Boston are our best potential markets, followed by New York and Los Angeles. He added that we could move much more fruit in Toronto, noting that it would be hard to come to the conclusion that we have saturated any market.

Promotion Research

Ms. Wilks announced that a full report of the recent merchandising research would be presented at the June 21 commodity committee meeting. She added that Jim Culbertson and Larry Thornton, both of whom participated in the tours, will be present at that meeting to give a firsthand report. Ms. Wilk informed the subcommittee that the Merchandising Research Presentation in Fresno on April 21 was recorded and cassette tapes are available to those interested. In addition, summaries of all 1987 research projects will be made available to committee members at the June 21 meeting.

Ms. Wilk outlined plans to begin promotion in the Hispanic market which holds good potential for California Summer Fruits®. In addition to the Spanish lan-

guage brochures and sampling program to be undertaken by Ms. Beall, a Hispanic media tour will be conducted in June and August utilizing the services of a bilingual food professional. Media appearances in June will take place on Hispanic stations in major California markets and the August appearances, involving all four fruits, will occur on Hispanic media in Texas.

Pear Budget Speculations

Chairman Elliot opened discussion on budget speculations requesting subcommittee's comments on an assessment increase. Mr. Field said that general and administrative budgets had been computed very conservatively and there could be some savings in this area of approximately \$20,000. It was noted that even with an assessment increase to 22¢, cuts would be required in the market development budget. Ms. Wilk suggested that the Canadian Promotion budget of \$30,000 could be reduced to \$10-15,000. Being assured by the subcommittee members that estimates put forth were realistic, Mr. Field observed that budget speculations would have to be based on fresh shipments of approximately 3,800 cars. Mr. Scully questioned any promotion at all in Canada if no State funds are available. Ms. Wilk said that we must show a commitment to this export promotion or we will get no consideration. Mr. Field concurred, stating CTFA must have a presence in the market in order to make a grant possible.

The subcommittee discussed the various options available to support a promotional program for pears in the 1988 season. Mr. Thomas commented that

pears couldn't "borrow on the come" any longer and it was time to pay for the last few years. In further discussion Mr. Field reminded the subcommittee of the need to give direction to staff to go ahead with the proposed program or make reductions, but that the final decision would be made on June 21. He added that alternative programs can be prepared and available if cutbacks are directed. Mr. Field also noted that, historically, all pear research has been funded by Pear Zone and that a reallocation of funds committed to research could be considered. Mr. Norgaard said the option also existed to sell some of the allocated Bartlett radio spots to the stone fruits where they can use them, adding that the spots must be traded with equity.

Mr. Icardi moved, Mr. Thomas seconded and it was unanimously carried to recommend a promotional budget reduction to \$675,000 with appropriate cuts to be determined by staff. In discussing the motion Mr. Scully expressed concern about the adequacy of the carryover into the 1989 season. Mr. Barnett moved, seconded by Mr. Barr, that in view of a less than normal crop a 2¢ increase in assessment, to 22¢ per package, be recommended. Following subcommittee discussion, the motion carried unanimously.

Meeting dates

Chairman Elliot called the subcommittee's attention to the meeting dates listed in the agenda. There being no further business, the meeting adjourned at 4:30 p.m.

Respectfully submitted,

EDIE CLARK
Acting Secretary

JUNE 13, 1988

[attachments omitted in printing]

MARKETING POLICY STATEMENT FOR
CALIFORNIA PEACHES, PLUMS AND
NECTARINES

1988 Season

Submitted by
Peach Commodity Committee
Plum Commodity Committee
Nectarine Administrative Committee

This statement deals with various marketing prospects for 1988 fresh California peaches, plums and nectarines. It contains examinations of the crops, the general economic situation, equivalent parity prices, the national peach outlook, other crops, transportation, the status of the canned fruit industry and market development plans. Some conclusions are also furnished.

THE CALIFORNIA CROPS

* * * *

GENERAL ECONOMIC SITUATION

* * * *

EQUIVALENT PARITY PRICES

* * * *

THE NATIONAL PEACH OUTLOOK

* * * *

OTHER CROPS

* * * *

TRANSPORTATION

* * * *

THE CANNED FRUIT INDUSTRY

* * * *

EXPORT MARKET DEVELOPMENT

During 1987 the California Tree Fruit Agreement began investing promotion dollars to develop markets in Hong Kong, Singapore and Taiwan for peaches, plums and Bartlett pears. These efforts will be continued during 1988 and should be increased with the hope of additional funds through the Foreign Agricultural Service cooperator fund program. The program anticipated in these markets is similar to that carried out during 1987. Primary emphasis will be placed on introducing plums and peaches in these markets. Increases in shipments to Hong Kong, Singapore and Taiwan ranged from 80% to 300% during 1987. Although these increases cannot be expected to continue, it is hoped that these markets can be developed to provide additional stability for fresh sales domestically. The focus of these programs will be to increase product turnover and introduce these products through in-store demonstrations.

MARKET DEVELOPMENT

The Stone Fruits Promotion Subcommittee recommended at a meeting held on March 23, 1988, California Summer Fruits® promotion budgets totaling more than 5 million. The suggested peach budget is 1,225,435, plums 1,831,459 and nectarines 1,761,886. Subcommittee evaluation of a trial budget for fresh Bartlett pears totaling 709,220 is scheduled for May 17.

More than \$3 million of this sum is planned for media expenditures, including national network radio, spot radio, spot television and cable television. The nationwide effort will begin on May 16 and will continue for eighteen weeks through September 18. California Bartlett pear national advertising begins July 11. To extend the campaign, spot radio will also be utilized for fresh Bartletts beginning September 19 through October 23.

New arrangements of the California Summer Fruits® commercials for radio have been produced for the 1988 season. Five 30-second spots, again featuring the voice of Hoyt Axton and the memorable California Summer Fruits® jingle, will be utilized for network radio. A "season opener" will introduce the campaign followed by four individual fruit spots. Spot radio will feature 60-second commercials, the additional 30 seconds devoted to a "music bed" that will "piggyback" the 30-second commercials with a continuation of the music and announcer-read copy with timely crop information.

The four television spots include one for each stone fruit as well as a California Summer Fruits® season introduction spot. Bartletts receive television exposure on the individual spots through a grant provided to the stone fruits. An average of 70 radio commercials will air nationwide each week on CBS Radio Network, CBS Radio Radio, ABC Information, ABC Direction and Satellite Music Network along with eight weekly nationally syndicated programs sponsored by California Summer Fruits®. With this schedule, the California Summer Fruits® message

will reach virtually every U. S. market with almost 212 billion impressions against U. S. adults.

The season opening radio commercial promoting the stone fruits will run for two weeks starting May 16. The individual spots, one for each of the fruits, will then be rotated for the remaining sixteen weeks. In support of the national network radio schedule, spot radio is being run in two flights of four and three weeks. The first flight runs from May 23 through June 19, the second flight running June 27 through July 17. Spot radio will be heard in Boston, Chicago, Dallas, Los Angeles, New York and San Francisco. The two spot radio flights will reach adults 25 through 54 years old an average of 2.8 times during each flight period.

This season's major market television campaign consists of three flights and runs from May 23 through August 21 for ten weeks. The commercials, which also feature Hoyt Axton, will air during the Today Show, Good Morning America, early and late news, independent prime time movies, specials and other top shows. During each of the three flights, the commercials will reach 88% of adults 25 through 54 years old an average of 5.7 times in the following markets: Boston, Chicago, Fresno, Los Angeles, Minneapolis, New York, Sacramento, San Francisco, Toronto and Washington, DC.

This year's promotion plans of California Summer Fruits® in Canada call for television in the Toronto market following the same spot television schedule as the United States. National cable television, also beginning May 23, will include the Arts & Entertain-

ment-Cable Network, The Discovery Channel and Video Hits One. The last cable flight will continue through August 21.

A special radio and television publicity effort will focus on the Hispanic markets in California and Texas. Two media tours featuring California Summer Fruits® will be conducted this season using a bilingual Hispanic food professional. Radio and television coverage will include talk and food shows discussing and demonstrating the value of California Summer Fruits® to this influential market.

The consumer services program is divided into two areas—publicity and education. The newspaper publicity program will reach nearly 750 food editors nationwide and in Canada. Mailings of sixteen different "Celebrate Summer" press kits, four for each fruit, will include recipes, line art, quick usage ideas and black-and-white photography. Twenty color photographs and editorial copy will be made available to nearly 300 food editors.

Dailies and weeklies with 20,000 circulation and more will receive special features co-produced with the National Rice Council and the California Pistachio Commission. Smaller publications will also receive a special four-fruit release.

Direct placement of California Summer Fruits® recipes, usage ideas and photography in consumer magazines will continue. Increasing magazine food editors' knowledge of California Summer Fruits® will be accomplished with a special five-day harvest tour for the stone fruits this June. Radio and

television publicity efforts will receive increased attention during this season. On the first day of summer, radio and television stations in six major markets will receive boxes of fresh California peaches, plums and nectarines with a "Celebrate Summer" lug label and informational press kit.

Efforts in the education program include a California Summer Fruits® comic book, for ages three to nine, that has been published for distribution through education systems. An accompanying cassette tape "tells" the story for children under reading age. Five consumer brochures have been translated into Spanish and will be distributed in sampling programs to be conducted in Hispanic markets. A "spa inspired" new consumer recipe leaflet to attract females in CTFA's primary target audience will also be available this season.

Efforts in foodservice include completion of a new sales-oriented foodservice video entitled "Lifestyles of the Ripe and Edible." It will be made available to foodservice distributors, operators and university programs in hotel and restaurant management. A new set of four "chef's creations" recipe cards complete an eight-recipe series highlighting well known chefs or foodservice establishments. A major emphasis in foodservice this season will be research. Objectives of a proposed research project are to determine current and future foodservice potential for California Summer Fruits®, establish strategic direction and focus and identify results-oriented "measurable" programs targeted at prioritized segments of the foodservice industry.

The proposed trade promotional program for 1988 will be merchandised by eleven field staff representatives, assisted by five part-time consultants. The fieldmen will personally visit major factors in the U. S. and Canada every four weeks. Elements of the program include distribution of California Summer Fruits® Advertising and Promotion Guides and Planners to assist merchandisers in developing their own promotional programs, Retail Ad Material Kits and the No-Contest Contest. A stone fruits in-store sampling program will be tested in major markets in the 1988 season. An in-store video concept will also be tested with select accounts.

Promotional materials available for the 1988 season will include variety charts for each of the fruits, all new point-of-sale combination posters/price cards and a companion tear-off recipe pad providing ripening information, serving suggestions, recipes and a "Recipes for Success" cookbook offer. A new retail training video, the "California Summer Fruits® Bowl," will be offered to all retail factors for their pre-season produce meetings. Trade advertising in *The Packer*, *Produce News* and *Fresh Produce Council Digest* has been scheduled for five peak periods during the season along with special articles and interviews in the California Summer Fruits® edition of each of these publications in June.

A spring update bulletin was mailed to all key trade factors in early April describing weather conditions, timing, varietal information and other timely information about the stone fruits. Additional trade mailings will be employed as the season dictates. Supervision of the field staff, including continuous training in

all activities funded entirely by California, will again be handled by CTFA staff.

CONCLUSION

Supplies of stone fruits in California will again be bountiful. All indications are that the economy will keep pace with previous years, primarily due to consumer spending. Exports, especially of plums, during the season should improve over last year or at least remain the same. The large crops, however, will definitely impact the marketplace. Larger supplies of peaches out of the South and other peach producing areas are also expected which will put marketing pressures on California product in some local areas. Growers in many instances have thinned and pruned for large sizes and hopefully more large sizes will mean better prices and better marketing. Some shippers may not even pack fruit at the smallest size. Quality should also be good for the stone fruits, although some frost and hail damage has occurred in the Bartlett pear industry. It is hoped that good quality and good size will help in moving the crop.

One conclusion is certain—California peaches, plums and nectarines will not exceed parity.

May 3, 1988

[08 AUG 1988]

To: William J. Doyle, Acting OIG
California Marketing Field Office

From: Robert C. Keeney, Deputy Director /s/
Robert Keeney
Fruit and Vegetable Division

Subject: Approval of 1988-89 Fiscal Year Research,
Market Development, and Promotion
Projects for California Nectarines, M.O.
916, California Peaches and Plums, M.O.
917

Please notify the chairmen of the nectarines, peach, and plum committees under the California Tree Fruit Agreement that the Department approves the projects specified in attached memo and attachments.

Cost of the various projects is expected to total \$5,043,387. Adequate funds are included in the respective committees' approved 1988-89 season budgets to cover the estimated projects' costs.

Attachments

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE

[AUG 08 1988]

To: Robert C. Keeney, Deputy Director
Fruit and Vegetable Division

From: James M. Scanlon, Assistant Chief
/s/ James M. Scanlon
Marketing Order Administration Branch

Subject: Approval of Research, Market Development, and Promotion Projects for
California Nectarines; M.O. 916, and
California Peaches and Plums; M.O. 917

In early May, the Nectarine Administrative Committee, established under M.O. 916 and the Plum and Peach Commodity Committees established under M.O. 917 recommended approval of the attached research, market development and promotion projects for the 1988-89 fiscal year.

The recommended projects are expected to total \$5,043,387, which is \$554,619 more than last year's actual expenditures of \$4,488,768. Of the \$5,043,387 allocated, \$4,818,780 is for market development and promotion and \$224,607 is for research projects. These projects are similar to those of last year's, but with an increase in television advertising expenses of \$494,735. The committees plan to spend \$2,165,000 on

television advertising this season, but as a result of increased media costs, will have to decrease the number of spot television markets in which they advertise to five from last year's total of eight.

The various funded projects for the 1988-89 fiscal year are listed in the attachments, and the descriptive reviews of the projects are provided in the attached minutes of the Committee.

Adequate funds are included in the committees' approved 1988-89 season budgets to cover the expenses involved in conducting the recommended projects.

We recommended approval of the committees' research, market development and promotion projects. A letter informing our California Marketing Field Office of such approval is attached.

Attachments

[logo omitted in printing]

Federal Register
Vol. 53, No. 138
Tuesday, July 19, 1988

[p. 27,151]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 916, 917, and 919

Expenses and Assessment Rates for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule authorizes expenditures and establishes assessment rates under Marketing Order No.'s 916 and 917 (California nectarines, plums, and peaches) and 919 (Colorado peaches) for the 1988-89 fiscal year established for each order. The proposal is needed for the Nectarine Administrative Committee, the Plum and Peach Commodity Committees, and the Colorado Peach Administrative Committee to incur operating expenses during the 1988-89 fiscal year and to collect funds during that year to pay those expenses. This would facilitate program operations. Funds to administer this program are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Order No.'s 916 (7 CFR Part 916) regulating the handling of nectarines grown in California; 917 (7 CFR Part 917), regulating the handling of fresh pears, plums, and peaches grown in California; and 919 (7 CFR Part 919) regulating the handling of peaches grown in Mesa County, Colorado. These orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the Act.

This final rule has been reviewed under Executive Order 12291 and Departmental Regulation 1512-1 and has been determined to be a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has considered the economic impact of this final rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 650 handlers of California plums, peaches, and nectarines subject to regulation under marketing orders (7 CFR Parts 916, and 917),

and there are approximately 2,030 producers of these commodities in the regulated area. There are approximately 28 handlers of Colorado peaches subject to regulation under a marketing order (7 [p. 27,152] CFR Part 919), and there are approximately 245 producers of peaches in the regulated area. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.2) as those having average gross annual revenues for the last three years of less than \$500,000, and small agricultural service firms are defined as those whose gross annual receipts are less than \$3,500,000. The majority of these handlers and producers may be classified as small entities.

Each marketing order requires that the assessment rate for a particular fiscal year shall apply to all assessable commodities handled from the beginning of such year. An annual budget of expenses is prepared by each administrative committee and submitted to the U.S. Department of Agriculture for approval. The members of the committees are primarily handlers and producers of the regulated commodities. They are familiar with the committees' needs and with the costs for goods, services, and personnel in their local areas and are thus in a position to formulate appropriate budgets. The budgets are formulated and discussed in public meetings. Thus, all directly affected persons have an opportunity to participate and provide input.

The assessment rate recommended by each committee is derived by dividing anticipated expenses by expected shipments of the commodity. Because that rate is applied to actual shipments, it must be

established at a rate which will produce sufficient income to pay the committees' expected expenses. Recommended budgets and rates of assessment are usually acted upon by the committees shortly before a season starts, and expenses are incurred on a continuous basis. Therefore, budget and assessment rate approvals must be expedited so that the committees will have funds to pay their expenses.

The Nectarine Administrative Committee met on May 5, 1988, and unanimously recommended 1988-89 marketing order expenditures of \$3,123,908 and an assessment rate of \$0.18 per No. 22D standard lug box (package) of fresh nectarines. For comparison, 1987-88 fiscal year budgeted expenditures were \$2,844,417 and the assessment rate was \$0.16 per package. Major expenditure categories in the 1988-89 budget are \$1,801,886 for market development and \$867,000 for inspection, with most of the remainder for program administration. Total income for 1988-89 is expected to amount to \$3,173,900, including assessment income of \$3,132,900 based on shipments of 17,405,000 packages of fresh nectarines, \$20,000 from the California Department of Food and Agriculture, and \$21,000 from other sources such as interest earned on the reserve fund. Committee reserves are within limits authorized under the program.

The Plum Commodity Committee met on May 4, 1988, and unanimously recommended 1988-89 marketing order expenditures of \$3,510,878 and an assessment rate of \$0.19 per No. 22D standard lug box (package) of fresh plums. For comparison, 1987-88 fiscal year budgeted expenditures were \$3,125,626 and the assessment rate was \$0.19 per package. Major

expenditure categories in the 1988-89 budget are \$1,971,459 for market development and \$1,085,960 for inspection, with most of the remainder for program administration. Total income for 1988-89 is expected to amount to \$3,508,030, including assessment income of \$3,465,030 based on shipments of 18,237,000 packages of fresh plums, \$20,000 from the California Department of Food and Agriculture, and \$23,000 from other sources such as interest earned on the reserve fund. Additional estimated income includes \$100,000 from the USDA's Foreign Agricultural Service for export matching funds. Reserves are within the maximum amounts authorized under the program.

The Peach Commodity Committee met on May 5, 1988, and recommended, by a 12-1 vote, 1988-89 marketing order expenditures of \$2,562,089 and an assessment rate of \$0.18 per No. 22D standard lug box (package) of fresh peaches. For comparison, 1987-88 fiscal year budgeted expenditures were \$2,409,180 and the assessment rate was \$0.16 per package. Major expenditure categories in the 1988-89 budget are \$1,280,435 for market development and \$896,000 for inspection, with most of the remainder for program administration. Total income for 1988-89 is expected to amount to \$2,590,980, including assessment income of \$2,553,480 based on shipments of 14,186,000 packages of fresh peaches, \$20,000 from the California Department of Food and Agriculture, and \$17,500 from other sources such as interest earned on the reserve fund. Additional estimated income includes \$20,000 from the USDA's Foreign Agricultural Service for export matching funds. Reserves are within the maximum amounts authorized under the program.

The Colorado Peach Administrative Committee met on May 23, 1988, and unanimously recommended 1988-89 marketing order expenditures of \$1,830 and an assessment rate of \$0.01 per bushel of fresh peaches. The Federal marketing order program is operated in conjunction with a State program. For comparison, 1987-88 fiscal year budgeted expenditures were \$683. There was no assessment rate for the 1987-88 season because the committee wanted to reduce the Federal portion of the reserve account. The reserve was reduced to \$30. Federal assessment income for 1988-89 is expected to amount to \$1,800 based on shipments of 180,000 bushels of fresh peaches. Operating reserves are well within the amounts authorized under the program. The Federal program budget expenditures of \$1,830 will be used to help pay the manager's salary.

While this section will impose some additional costs on handlers, the costs are in the form of uniform assessments on all handlers. Some of the additional costs may be passed on to producers. However, these costs will be significantly offset by the benefits derived from the operation of the marketing orders. Therefore, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

A proposed rule regarding this action was issued on June 16, 1988, and published in the Federal Register (53 FR 232244, June 21, 1988). That document provided that interested persons could file comments through July 1, 1988. No comments were received.

Based on the foregoing, it is found that the specified expenses are reasonable and likely to be incurred, and that such expenses, assessment rates, and operating reserves will tend to effectuate the declared policy of the Act.

Approval of the expenses, assessment rates, and operating reserves should be expedited because the committees need to have sufficient funds to pay their expenses which are incurred on a continuous basis. In addition, handlers are aware of this action which was recommended by the committees at public meetings. Therefore, the Secretary also finds that good cause exists for not postponing the effective date of this action until 30 days after publication in the Federal Register (5 U.S.C. 553).

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[p. 27,153]

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PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.227 Expenses and assessment rate.

Expenses of \$3,123,908 by the Nectarine Administrative Committee are authorized, and an assessment rate of \$0.18 per No. 22D standard lug box of assessable nectarines is established, for the fiscal period ending February 28, 1989. Unexpended funds may be carried over as a reserve.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

§ 917.250 Expenses and assessment rate.

Expenses of \$3,510,878 by the Plum Commodity Committee are authorized, and an assessment rate of \$0.19 per No. 22D standard lug box of assessable peaches is established for the fiscal period ending February 28, 1989. Unexpended funds may be carried over as a reserve.

§ 917.251 Expenses and assessment rate.

Expenses of \$2,562,089 by the Peach Commodity Committee are authorized, and an assessment rate of \$0.18 per No. 22D standard lug box of assessable plums is established for the fiscal period ending February 28, 1989. Unexpended funds may be carried over as a reserve.

PART 919—PEACHES GROWN IN MESA COUNTY, COLORADO

§ 919.227 Expenses and assessment rate.

Expenses of \$1,830 by the Administrative Committee are authorized, and an assessment rate of \$0.01 per bushel of assessable peaches is established for the fiscal period ending June 30, 1989. Unexpended funds may be carried over as a reserve.

Dated: July 14, 1988.

* * * * *

Lucky Tour June 21 & 22, 1989

June 21:

<u>Arrive</u>	<u>Place</u>	<u>Leave</u>
	Modesto	6:45 am.
9:00 am.	Wawona	9:45 am.
10:30 am.	LTD orchard & packing	11:30 am.
noon	Lunch—La Esperanza	1:00 pm.
1:15 pm.	George Bros.	2:15 pm.
3:00 pm.	Mineral King	4:00 pm.
4:20 pm.	Visalia Holiday Inn	
7:00	Dinner @ hotel	

June 22:

6:30 am.	Breakfast/Checkout	7:30 am.
	Visalia Holiday Inn	7:45 am.
8:30 am.	Kingsburg Apple Packers	9:30 am.
10:00 am.	Ito Packing	11:15 am.
11:20 am.	Royal Valley	11:55 am.
noon	Lunch—Bear Club	1:10 pm.
1:15 pm.	Ballantine Produce	2:30 pm.
	grape vineyard and shed	
3:30 pm.	Metzler and Sons Ranch	4:15 pm.
5:15 pm.	Modesto	

[logo omitted]
California Tree Fruit
Agreement

June 21, 1989

6:45 am	Drive Modesto to Clovis	9:00 am
9:00 am	Wawona Orchards (peaches)	9:45 am
9:45 am	Drive Clovis to Reedley	10:30 am
10:30 am	Field visit, follow fruit to packing shed - LTD (peaches)	11:30 am
11:30 am	Drive to restaurant	12:00 pm
12:00 pm	Lunch at La Esperanza	1:15 pm
1:15 pm	George Bros. (nectarines)	2:15 pm
2:15 pm	Drive to Farmersville	3:00 pm
3:00 pm	Mineral King packing and field tour (plums)	Open pm
7:00 pm	Dinner with Committee Chairmen	
	Lodging: Holiday Inn - Plaza Park	
	9000 West Airport Drive	
	Visalia, CA 93277	
	(209) 651-5000	

June 22, 1989

6:30 am	Breakfast and check-out	7:30 am
8:00 am	Drive to Kingsburg	8:30 am
8:30 am	Kingsburg Apple Packers	9:30 am
9:30 am	Drive to Reedley	10:30 am
10:00 am	ITO Packing (various fruits, mechanical sizes)	11:15 am
11:15 am	Drive	11:20 am
11:20 am	Royal Valley (optic sizes)	11:55 am
11:55 am	Drive	12:00 pm
12:00 pm	Lunch at Bear Club with Virgil Rasmussen, a Pandol rep and Bruce Obbink	1:10 pm
1:10 pm	Drive	1:15 pm
1:15 pm	Ballantine Produce, grape field tour and brief shed visit with Virgil Rasmussen	2:30 pm
2:30 pm.	Drive	3:30 pm
3:30 pm.	Metzler and Sons, Madera (field pack)	4:15 pm
4:15 pm.	Return to Modesto	5:15 pm

[address omitted]

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE

[AUG 02 1989]

To: William J. Doyle, Acting Deputy Director
Fruit and Vegetable Division

From: Ronald L. Cioffi, Chief /s/ Ronald L. Cioffi
Marketing Order Administration Branch

Subject: Approval of Research and Marketing
Projects for California Nectarines, Plums
and Peaches - M.O. No's. 916 and 917

The Nectarine Administrative Committee and the Plum and Peach Commodity Committees recommended approval of the attached production and market research, market development and promotion-advertising projects for the 1989-90 season. The projects are intended to maximize sales in domestic and export problems. The three committees have developed comprehensive programs for the 1989-90 season. The various projects are described in the attached minutes of the stone fruit promotion subcommittee. The budgets for the projects, by commodity, are also attached.

The recommended projects are expected to cost \$5,338,915, which is 13 percent more than last year's expenditures for similar projects. Of the projected

amount, 87 percent (\$4,684,150) is allocated for market development and promotion, 4 percent (\$214,765) is allocated for production research projects and 9 percent (\$440,000) is allocated for a food safety program. The food safety program is vital to the California tree fruit industries. It is intended to provide positive food-safety information on an on-going basis and to allow the industries to react to food safety problems in a positive way.

Authority for the nectarine projects is contained in §916.45 and in §917.39 for plum and peaches. The various projects to be funded are adequately justified. Funds to conduct the projects were included in the approved 1989-90 budgets for the two marketing orders. We recommend approval. A letter informing the California Marketing Field Office of our approval is also attached.

Attachments

[logo omitted]

U.S. DEPARTMENT OF AGRICULTURE [USDA Seal Omitted]

Memorandum

AGRICULTURAL MARKETING SERVICE
P.O. BOX 96456
WASHINGTON, D.C. 20250

To: Gary Olson, Officer-In-Charge
California Marketing Field Office

From: William J. Doyle, Acting
Deputy Directors Fruit and
Vegetable Division

Subject: Approval of 1989-90 Fiscal Year Market-
ing and Research Projects for California
Nectarines, Plums and Peaches—M.O.
No's. 916 and 917

Please notify CTFA Manager, Jonathan Field, that the Department approves the Nectarine Administrative Committee's and the Plum and Peach Commodity Committees' production and market research, market development and promotion—advertising projects for the 1989-90 fiscal year.

The cost of the various projects totals \$5,338,915. Adequate funds to cover projected expenses are included in the respective committees' approved 1989-season budgets.

Federal Register
Vol. 54, No. 138
Thursday, July 20, 1989

[p. 30,365]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 916 and 917

[Docket No. FV-89-063]

Expenses and Assessment Rates for Specified Marketing Orders

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule authorizes expenditures and establishes assessment rates under Marketing Order Nos. 916 and 917 (California nectarines, plums and peaches) for the 1989-90 fiscal year which began March 1, 1989. The action is needed for the Nectarine Administrative Committee, and the Plum and Peach Commodity Committees established under these orders to incur operating expenses during the 1989-90 fiscal year and to collect funds during that year to pay those expenses. This will facilitate program operations. Funds to administer these programs are derived from assessments on handlers.

* * * * *

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Order Nos. 916 [7 CFR Part 916] regulating the handling of nectarines grown in California and 917 [7 CFR Part 917] regulating the handling of fresh pears, plums, and peaches grown in California.

These orders are effective under the Agricultural Marketing Agreement Act of 1937, as amended [7 U.S.C. 601-674], hereinafter referred to as the Act.

This final rule has been reviewed under Executive Order 12291 and Departmental Regulation 1512-1 and has been determined to be a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has considered the economic impact of this final rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 650 handlers of California plums, peaches and nectarines subject to regulation

under these marketing orders [7 CFR Parts 916 and 917], and there are approximately 2,030 producers of these commodities in the regulated area. Small agricultural producers have been defined by the Small Business Administration [13 CFR 121.2] as those having average gross annual revenues for the last three years of less than \$500,000. Small agricultural service firms are defined as those whose gross annual receipts are less than \$3,500,000. The majority of these handlers and producers may be classified as small entities.

Each marketing order requires that the assessment rate for a particular fiscal year shall apply to all assessable commodities handled from the beginning of such year. An annual budget of expenses is prepared by each administrative committee and submitted to the U.S. Department of Agriculture for approval. The members of the committees are primarily handlers and producers of the regulated commodities. They are familiar with the committees' needs and with the costs for goods, services and personnel in their local areas, and are thus in a position to formulate appropriate budgets. The budgets are formulated and discussed in public meetings. Thus, all directly affected persons have an opportunity to participate and provide input.

The assessment rate recommended by each committee is derived by dividing anticipated expenses by expected shipments of the commodity. Because that rate is applied to actual shipments, it must be established at a rate which will produce sufficient income to pay the committees' expected expenses. Recommended budgets and rates of assessment are usually

acted upon by the committees shortly before a season starts, and expenses are incurred on a continuous basis. Therefore, budget and assessment rate approvals must be expected so that the committees will have funds to pay their expenses.

The Nectarine Administrative Committee met May 3, 1989, and unanimously recommended 1989-90 marketing order expenditures of \$3,515,037 and an assessment rate of \$0.185 per 25-pound package or equivalent. For comparison, 1988-89 fiscal year actual expenditures were \$2,787,093 and the assessment rate was \$0.18 cents per package or equivalent. Major expenditure categories projected for 1989-90 with actual 1988-89 expenditures in parenthesis are: salaries and employee benefits, \$193,191 (\$177,712); consultant fees, \$45,000 (\$53,179); production research, \$86,587 (\$87,403); market development and promotion, \$2,076,100 (\$1,494,762); and inspection, \$907,500 (\$871,209). With the exception of \$65,000 budgeted for uncollected assessment accounts, the remaining expenses are for program administration.

Estimated total income for 1989-90 of \$3,824,490 includes projected assessment income of approximately \$3,101,155 based on anticipated shipments of 16,763,000 packages of fresh nectarines, carryover income from 1987-88 of \$620,085, anticipated income from export development and research subsidies from state and federal agencies of \$70,250 and interest income totalling \$33,000. This income will cover anticipated expenditures for 1989-90 and provide an adequate carryover to meet authorized committee expenses until 1990-91 assessment funds are col-

lected. Committee operating reserves are within the limits authorized under the program.

The Plum Commodity Committee met May 3, 1989, and unanimously recommended 1989-90 marketing order expenditures of \$3,154,353 and an assessment rate of \$0.21 per 28-pound [p. 30,366] package or equivalent. For comparison, 1988-89 fiscal year expenditures were \$3,090,693 and the assessment rate was \$0.19 per 28-pound package or equivalent. Major expenditure categories projected for 1989-90 with actual 1988-89 expenditures in parenthesis are: salaries and employee benefits, \$193,190 (\$168,713); consultant fees, \$5,000 (nothing budgeted); production research, \$67,091, (\$77,302); market development and promotion, \$1,749,663 (\$1,679,526); and inspection, \$1,078,000 (\$1,038,355). With the exception of \$85,000 budgeted for uncollected assessment accounts, the remaining expenses are for program administration.

Total income for 1989-90 would amount to \$3,402,340, including projected assessment income of \$2,969,190 based on shipments of 14,139,000 packages of fresh plums at \$0.21 per 28-pound package or equivalent. Assessment income would be supplemented with unexpended 1988-89 funds (\$311,650), interest income (\$20,000) and export subsidies (\$101,500) from state and federal agencies. This income will cover the anticipated expenditures for 1989-90 and provide an adequate carryover to meet authorized committee expenses until 1990-91 assessment funds are collected. Committee reserves are within limits authorized under the program.

The Peach Commodity Committee met May 4, 1989, and unanimously recommended 1989-90 marketing order expenditures of \$2,849,419 and an assessment rate of \$0.185 cents per 25-pound package or equivalent. For comparison, 1988-89 fiscal year expenditures were \$2,269,778 and the assessment rate was \$0.18 per 25-pound package or equivalent. Major expenditure categories projected for 1989-90 with actual 1988-89 expenditures in parenthesis are: salaries and employee benefits, \$182,282 (\$159,261); consultant fees, \$5,000 (nothing budgeted); production research, \$61,087 (\$61,902); market development and promotion, \$1,546,700 (\$1,073,846); and inspection, \$864,000 (\$863,223). With the exception of \$50,000 budgeted for uncollected assessment accounts, the remaining expenses are for program administration.

Total income for 1989-90 would amount to \$3,218,650, including projected assessment income of approximately \$2,572,240, based on shipments of 13,904,000 packages of fresh peaches at \$0.185 per 25-pound package or equivalent. Assessment income would be supplemented with unexpended 1988-89 funds (\$564,660), interest income (\$24,000) and export subsidies (\$57,750) from state and federal agencies. This income will cover the anticipated expenditures for 1989-90 and provide an adequate carryover to meet authorized committee expenses until 1990-91 assessment funds are collected. Committee reserves are within limits authorized under the program.

While this action will impose some additional costs on handlers, the costs are in the form of uniform assessments on all handlers. Some of the additional costs may be passed on to producers. However, these

costs will be significantly offset by the benefits derived from the operation of the marketing orders. Therefore, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

This action adds new §§ 916.227, 917.250, and 917.251 and is based on the Committees' recommendations and other information. A proposed rule concerning this action was published in the Federal Register [54 FR 26382, June 23, 1989]. Comments on the proposed rule were invited from interested person until July 3, 1989. No comments were received.

After consideration of all relevant matter presented, including the Committees' recommendations, and other available information, it is found that this final rule will tend to effectuate the declared policy of the Act.

This final rule should be expedited because the committees need to have sufficient funds to pay their expenses, which are incurred on a continuous basis. In addition, handlers are aware of these actions which were recommended at public meetings. Therefore, it is found that good cause exists for not postponing the effective dates of these actions until 30 days after publication in the Federal Register [5 U.S.C. 553].

* * * * *

PART 916—NECTARINES GROWN IN CALIFORNIA

§ 916.227 Expenses and assessment rate.

Expenses of \$3,515,037 by the Nectarine Administrative Committee are authorized, and an assessment of \$0.185 per 25-pound package or equivalent of assessable nectarines is established for the fiscal period ending February 28, 1990. Unexpended funds may be carried over as a reserve.

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

3. A new § 917.250 is added to read as follows:

§ 917.250 Expenses and assessment rate.

Expenses of \$3,154,353 by the Plum Commodity Committee are authorized, and an assessment of \$0.21 per 28-pound package or equivalent of assessable plums is established for the fiscal period ending February 28, 1990. Unexpended funds may be carried over as a reserve.

4. A new § 917.251 is added to read as follows:

§ 917.251 Expenses and assessment rate.

Expenses of \$2,849,419 by the Peach Commodity Committee are authorized, and an assessment of \$0.185 per 25-pound package or equivalent of assess-

able peaches is established for the fiscal period ending February 28, 1990. Unexpended funds may be carried over as a reserve.

Dated: July 17, 1989.

* * * * *

RMC international

QUALITATIVE RESEARCH
CONCERNING
THE CALIFORNIA TREE FRUIT
AGREEMENT

(JULY-SEPTEMBER, 1989)

By Rick M. Chapman

September 28, 1989

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BACKGROUND/OBJECTIVES

Following research which had been conducted in 1978 as well as in the early 1980s and as late as 1985, the California Tree Fruit Agreement determined that it was necessary to update its perspective regarding consumers of its products. Qualitative research was selected as the most effective technique for understanding the basic issues which underlie usage and non-usage of these fruits, and accordingly, a research plan was devised, with an emphasis on heavy and light users in particular, to uncover what the primary purchase influences are with these tree fruits; what the consumer knows about these fruits and how they handle them; and what their typical consumption patterns are.

In essence, the primary, most basic objective throughout the project was to develop an understanding of the reasons why heavy users consume tree fruits as regularly as they do, and why light users, are light users, that is, why they do not purchase and eat these tree fruits with the regularity of heavier users. With both categories, another major objective was to gain reaction to creative approaches toward presenting these fruits to the consumer: in addition to evaluating current creative in the form of existing television commercials, new creative approaches, represented in the form of concept statements, were also tested, with the aim of evaluating the optimal means of encouraging these consumers to buy and eat more tree fruits.

Additional objectives included an evaluation of existing and potential point-of-sale materials and educational and promotional pieces, including everything from banners and recipe tearaway sheets to ripening bags, video presentations, recipe booklets and magazine and newspaper articles. All in all, once again, the governing objective was to understand what themes and emphasis would be most meaningful to the consumer with regard to these fruits, to enable the creation of guidelines for developing the most effective collateral materials possible.

RESEARCH APPROACH

Eighteen focus groups were conducted in seven markets across the United States and Canada for this project. Two groups were conducted in each of the following markets between July 12 and September 13, 1989: Los Angeles, Toronto, Montreal, Houston, Minneapolis, Boston and Atlanta. Four additional groups were conducted with Hispanic respondents, two each in Los Angeles and in Houston. All the groups were conducted in English with the exception of those in Montreal, which were conducted with French-speaking Canadians in French, by a French-speaking moderator.

Every focus group had roughly identical screening specifications, with the primary exception being that one group in each market was with *heavy* users of the tree fruits and one group was with *light* users. The only other exception was that respondents in the four Hispanic groups had self-designated their ethnic background to be Hispanic.

The recruiting directions which follow indicate the screening specifications used for obtaining re-

spondents for this research. The subsequent Discussion Guide describes the subject matter covered in this research. In different markets, the emphasis varied from one or more of the primary issues to others: for example, in some groups the primary focus of discussion was fruit attitudes and usage and creative evaluation; while in others the point-of-sale and promotional materials were the main object of discussion.

See the Appendix for the concept statements and other materials used as stimulus throughout the group discussions conducted in this research.

Recruiting Directions—Fresh Fruit Groups

Two (2) Focus Groups per night, scheduled at 6:00 and 8:00pm.

Identical recruiting specifications for both groups, *except with regard to heavy or light fruit usage (see screener)*:

- Group One: *heavy* users;
- Group Two: *light* users.

All respondents will be *adult heads of household*, who are the *principal grocery shoppers* in their households (doing at least 50% of the shopping on a regular basis).

Each group should consist of a rough balance of *males and females*, with an effort to achieve a total recruit per group of 4-5 males and 7-8 females.

- Recruit 12 qualified respondents per group to get 8-10 to show.

Each respondent must have *bought and eaten and/or served at home at least one* of the following fruits within the *past three months*:

- apples
- bananas
- oranges.

Each respondent must have *bought and eaten and/or served at home at least two* of the following fruits within the *past six weeks* (or during the previous summer, if some of these fruits are not yet available this year):

- fresh nectarines
- fresh peaches
- fresh pears
- fresh plums.

TO QUALIFY FOR *HEAVY USER GROUP*: each respondent must indicate that he or she personally buys and eats *two or more of the four fruits listed immediately above at least once a week or more often*.

TO QUALIFY FOR *LIGHT USER GROUP*: each respondent must indicate that he or she personally buys and eats two or more of the four fruits listed immediately above *once a month or less often, or once in 2-3 weeks or more*, but not as often as once-a week or more often.

Respondents for *each group* will range in age from 25-34, with *good dispersion in each group*.

Each group should consist of a rough mix of approximately 50-50 *married and single or divorced*.

Roughly *half the respondents* in *each group* should have *one or more children* under the age of 18 *living at home*.

All respondents will be given a security screen to eliminate anyone associated with advertising or

public relations, marketing or marketing research, or the manufacture, distribution or sales of any food products.

No respondent who has attended a focus group on *any subject* within the past *six months* can qualify.

No respondents in these groups can be acquainted with each other.

* * * * *

Please note: we will need cassette audio recording of all groups—no reel-to-reel. We will not be videotaping these groups.

Please provide 3/4" and 1/2" VCR equipment with color monitor inside the group rooms so that commercials and other materials can be shown to the respondents.

Please provide *pads and pencils* in a stack on the table for all respondents in each group. (Not distributed at each place setting.)

Also provide one *lecture pad* with good markers in the group room.

Plan on up to 8 *observers* and *arrange dinner* food for this number, to be ready in the observation room by 5:30pm at the latest. Respondents at the 6:00pm group will be served deli food as usual. Please see that wine, beer and bottled water are on hand in reasonable quantities for the clients in the back room.

Please note: respondents are to be fed *prior* to the group, and in some place other than the group room itself. Please show them into the group room only when the discussion is to begin.

California Tree Fruit Discussion Guide

I. Introduction to the Research

Nature of the research

Subject of the research

Independent researcher; no vested interests

Be frank, vocal

II. Fruit Usage and Perceptions

Probe fruit eating experience

—unaided: favorites

—focus: tree fruits

—when eaten

—how eaten

—how often

—why?

—why at some times vs. others

—what like about these fruits

—what not like about these fruits

—Why *not* use at other times

—probe awareness of length of seasons

—summary: key benefit of these fruits

—overall

—versus other fruits

Projective techniques

—"personalize" tree fruits

—attributes, behavior, "at a party"

Kelly triad comparisons

—key competitive fruits versus tree fruits

—probe associations, differences

In summary: why are you/are you not buying and eating tree fruits?

—awareness of fruit handling, ripening techniques

- role of bad previous experiences
- mode of eating: as found on shelf?
otherwise?
- reasons for eating
 - really like these specific fruits
 - eating fruit “on principle”
- momentum of childhood patterns
 - e.g., eat only apples because did so as
kid
 - other influences
- what limits usage; why/why not a
“heavy user”?

III. Creative Evaluation

- Concept boards
- Animatics
- Current campaign
- Reaction
 - overall impressions
 - pros/cons
 - interest
 - relevance
 - motivational impact

Evaluation of each approach individually
Force choice overall after all exposed

IV. Recipes and Information

- Interest in recipes
 - Recipe cards
 - “Fresh Ideas”
 - “American Classics”
 - “Chef’s Creations”
 - “Recipes for Success”
 - “Spa Recipes”
 - “Summer Fun” video
- Impact of informational material

- brochures
- availability chart
- comic book (pp. 4=5)
- promotional interviews

V. Point of Sale Aids

- Banners
- Photos
- Fruit stickers
- Informational brochures (see IV)
- Recipe cards (see IV)
- Bag-your-fruit cards (saving stations)
- Ripening bag

VI. Miscellaneous

- Tag line evaluation
 - “It wouldn’t be summer without ‘em.”
 - “Naturally delicious.”
 - “Take a bite out of summer.”
 - Etc.)
- California labeling

PREFACE

The following conclusions are based on *qualitative* research. The number of respondents for this research does not permit these findings to be interpreted as projectible in the statistical sense. They represent *qualitative* observations only—an assessment of the positives, negatives, points of resistance and other issues and concerns which emerged within the scope of this study.

CONCLUSIONS AND RECOMMENDATIONS

1. The grouping of peaches, plums, nectarines and Bartlett pears is essentially an artificial one imposed by the pragmatic considerations of the California Tree Fruit Agreement. From the consumers’ per-

spective, no compelling theme automatically links these fruits or provides for a common perception of them.

2. Tree fruits are more special than many more common fruits—owing to their unusual juiciness and tastiness when they are at their best, as well as to their relatively limited season—yet this specialness is not sufficient to make these fruits stand out from all the others on an unaided basis.

3. Eating tree fruits is enjoyable, to be sure, but the category itself is not highly ego-projective.

4. A typical tree fruit purchase involves at least two of the four fruits, and sometimes more.

5. Heavy and light users alike seem to be fairly strongly opinionated about which tree fruits they like and which they don't; with both categories of users, their dislikes are generally founded on inaccurate perceptions about one or another of the fruits.

6. Respondents of all types show pervasive ignorance regarding how tree fruits should be ripened, with the primary exceptions to be found among heavy users and Hispanics.

7. Respondents generally—but especially light users—consider tree fruits a relatively “riskier” purchase than most other seasonal fruits.

8. Heavy users appear to be both more knowledgeable and less picky about selecting tree fruit.

9. The light user is commonly the victim of a self-perpetuating cycle which discourages the purchase of tree fruits whenever a fruit purchase is considered.

10. A significant proportion of these respondents—but particularly the light users—pass up making tree fruit purchases when they do not find the fruit ready to eat immediately.

11. Reaction to the point-of-sale materials tested in this research revealed the potential value of such items and provided solid guidelines for optimizing their effectiveness.

12. Magazine and newspaper articles featuring tree fruit understandably had mixed appeal in these groups, with light users only occasionally evidencing any real-interest in them.

13. Table cards featuring tree fruit entrees and desserts at restaurants show promise, as respondents almost unanimously showed a likelihood of acting on such pictorial suggestions.

14. Reaction to the California branding of tree fruits varied from market to market, provoking the least enthusiasm in the East and in Canada; yet overall it creates no serious negatives and some positives when relegated to background information.

15. Apart from their relative ignorance about nectarines and their mildly chauvinistic disdain for

California branding, Canadian respondents' attitudes essentially paralleled those seen in the U.S. markets.

16. Fruit usage patterns of Hispanics departed from those of non-Hispanics in two significant ways: for one thing, eating and cooking with tree fruits is culturally a more natural and thoroughgoing part of life for Hispanics, and secondly, a majority of Hispanics have at least a working sense of how to ripen these fruits at home.

17. Of all the demographic niches which emerged from this research as showing promise for significant tree fruit consumption—weight-conscious females, health-conscious young adults, working women in general, or even the old-fashioned cooking-intensive housewife—perhaps the one with the greatest potential is families with young children.

18. Over all of the concept statements tested in these focus groups, the single theme which consistently provoked outstanding taste attributes of these tree fruits. Several other themes also showed strength, including the refreshing quality of these fruits; the healthy, good-for-you quality of these fruits; the characteristics which make these fruits such an ideal snack food; and the strong association of these particular fruits with the good times of summer.

19. The strongest banner themes among those tested focused on the "naturally delicious" attributes of these "fresh summer fruits," and their integral association with "summer" and "sunshine."

20. The current television commercials for tree fruit which were exposed to these respondents appeared to be on target from a positioning standpoint, but they showed some weakness in motivational power. The jingle, however, showed remarkable strength and memorability.

Recommendations

Despite the absence of any natural grouping of these four fruits, they nevertheless work very well together. In order to communicate effectively about them, however, some artifice is needed to hang them together. "Summer" has been used in the past and is certainly acceptable, but it is not specific enough. Despite its various positives, and despite being very probably the most positive of all the linkages which have been tested, it nevertheless does not, in itself, identify the four tree fruits in the consumer's mind. In essence, there is no substitute for the mention of the fruits themselves, inasmuch as one can never assume that "summer fruits" or "tree fruits" or any other similar term is actually communicating these particular fruits to consumers.

All this having been said, it must be reiterated that these fruits "play well" together. People typically buy tree fruits more than one type at a time, that is to say, peaches and pears, or peaches, nectarines and plums, and so on. Interest begets interest in this category, and purchase begets purchase. There is a definite advantage, therefore, to the presentation of these fruits as a group, especially in the absence of any single fruit having

a sufficient advertising and promotional budget to create a unique presence all for itself.

Many users of tree fruits—both heavy and light users as well—remain completely unfamiliar with the joys of a great peach, a great pear, a great plum, or a great nectarine. What may pass as a seemingly inconsequential finding has, in fact, exciting implications. Inasmuch as this research has discovered that many consumers have misperceptions about various tree fruits at their best, it is clear that a significant potential new volume in consumption realistically lies ahead, as efforts are made to help consumers discover that not all peaches are woody, not all pears are hard, not all nectarines tasteless, and so on. It is essential to realize that one cannot assume that the typical consumer—and this even includes heavy users of tree fruits—understands what is really meant by a description of a “juicy, delicious peach” or a “delectable golden Bartlett pear.” What this finding reveals is that trial and experimentation needs to be encouraged in this age-old category in a way one could never imagine to be necessary.

Most consumers are virtually totally ignorant of proper ripening techniques for tree fruits, and what is more, they are often ignorant of their ignorance. As a result of this ignorance of ripening techniques, and also because of common misperceptions about many of these fruits when they are at their best, tree fruit purchases are more often than not considered to be “a gamble.” The California Tree Fruit Agreement needs to meet this sense of risk head on. Instead of

imagining that everyone who fits the profile of a probable consumer is simply waiting for the tree fruit season to arrive, it is important to realize that many light users have suffered discouragement after discouragement in their attempts to select and enjoy tree fruit in the past. The Light User Tree Fruit Discouragement Syndrome, referred to in detail in Conclusion Number 9 in the text of the report, describes the cycle in which many of these light users have become caught. The result is that purchase after potential purchase of tree fruits is currently passed over by light users, who are afraid to take the risk of spending money on a category of fruit which has burned them in the past.

This cycle of discouragement has to be broken by both creative and promotional efforts if the average consumer is ever expected to come into the fold of regular usage. New awareness must be created about these fruits, and the fear of failure taken away. The consumer has to be armed with a new confidence in an arena which has previously been filled with many bad experiences with this fruit. If anyone still believes and wishes to contend that the majority of consumers in America (and Canada) are comfortable with the purchase of tree fruit and sufficiently familiar with ripening techniques that they can successfully buy unripe fruit and enjoy it throughout the ensuing week, let them come forward and fight these research results to the death! It is critical to realize that, on the one hand, most consumers will not buy fruit which is too hard to eat in the immediate future, and on the other hand, virtually no one under-

stands how to ripen unripe tree fruit. Consequently, the problem of increasing purchase and consumption of tree fruits has to be solved from both ends of the spectrum: growers and retailers must work to try to provide fruit to the consumer which is closer to the stage of ripeness which they consider acceptable, while the consumer has to be reinvented to the party, reacquainted with the glories of these fruits at their best and introduced to an understanding of ripening techniques which will help him feel more confident buying fruit which is not perfectly ripe.

The results of this research elevate point-of-sale materials to a new level of importance. Everything from banners to ripening bags, from recipe tearaway sheets to point-of-sale videos, can clearly play a crucial role in not only drawing the consumer's awareness toward tree fruits in particular, but also in delivering the needed information to help make the next tree fruit purchase successful. What all of these materials need, however, is an *effective positioning*. Rather than simply (and naively, given the findings of this research) offering new recipes and factual information about these fruits to the consumer who has been discouraged into submission by previous failures with these fruits, these materials need to *encourage* the consumer that he or she can select and enjoy peaches, nectarines, plums and Bartlett pears at their best. As has been stated before in the body of this report, the old army maxim holds true, especially here: "Tell them that you're going to tell them; tell them; and tell them that

you told them." The same holds true for informational articles in magazines and newspapers.

This research has provided strong guidelines with respect to the testing of the most effective creative communication concerning tree fruits. What is unique to these fruits—and uniquely appealing about them—is their particular taste-and-texture combinations, what food scientists call their *organoleptic* qualities. However much these fruits may be praised for their *refreshing* attributes, their *healthfulness*, their attributes which make them the *perfect snack food*, or their place in completing the overall picture of *summer nostalgia*, make no mistake: the driving factor which motivates interest in these fruits is primarily their *taste*. All the other themes play important supporting roles, but taste is clearly the only candidate for the "best positioning" oscar.

While the current campaign is on target from a positioning standpoint and can hardly be faulted, with the revelation of the Light User Tree Fruit Discouragement Syndrome, in combination with limited media budgets, the problem of communicating effectively about these fruits takes on a different connotation. Just as the recent California Raisin advertising was specifically designed to counter the somewhat "nerdy" image which was associated with raisins, tree fruits have their own unique problem and require unique solutions. The consumer needs to be reassured with respect to his ability to choose and enjoy high quality tree fruits and the promise of sensational taste delivery needs to be reissued. Much that one might

have taken for granted with regard to these fruits has to be seen in a new light, inasmuch as many consumers are not even fully acquainted with the pleasures of one or another of these fruits when they are at their best. The challenge is great, but the information which has been gathered about the problem has also been great. From what has been learned in this research, it seems clear that the more that consumers come to know about tree fruits and their proper ripening, the more likely they will be to break out of their current "discouragement" syndrome and into a pattern of regular usage of these fruits.



CALIFORNIA SUMMER FRUITS

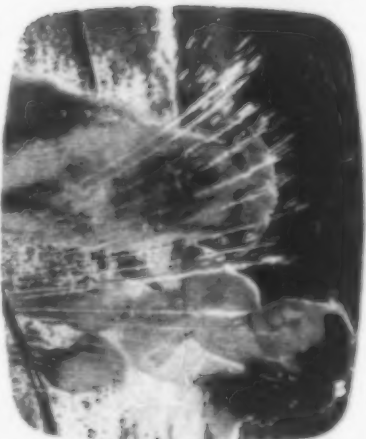
CALIFORNIA SUMMER FRUITS® 1989

TELEVISION :30

"PEACHES"



MUSIC THEME.
Remember ...



that special feeling ... called summer?



Remember the taste ...



of summer peaches ...



so cool, juicy ...



and good for you!
SUMMER, SUMMER FRUITS FROM
CALIFORNIA.



FRESH FROM THE TREE.



TASTE THEM AND SEE!



They have a special sweetness that only
summer can bring. But like summer ...



they'll soon be just a sweet memory.



SUMMER, SUMMER FRUITS, IT
WOULDN'T BE SUMMER WITHOUT 'EM.

and the Fruit Agreement

CALIFORNIA SUMMER FRUITS MID-LATE SEASON VARIETIES

[illegible]



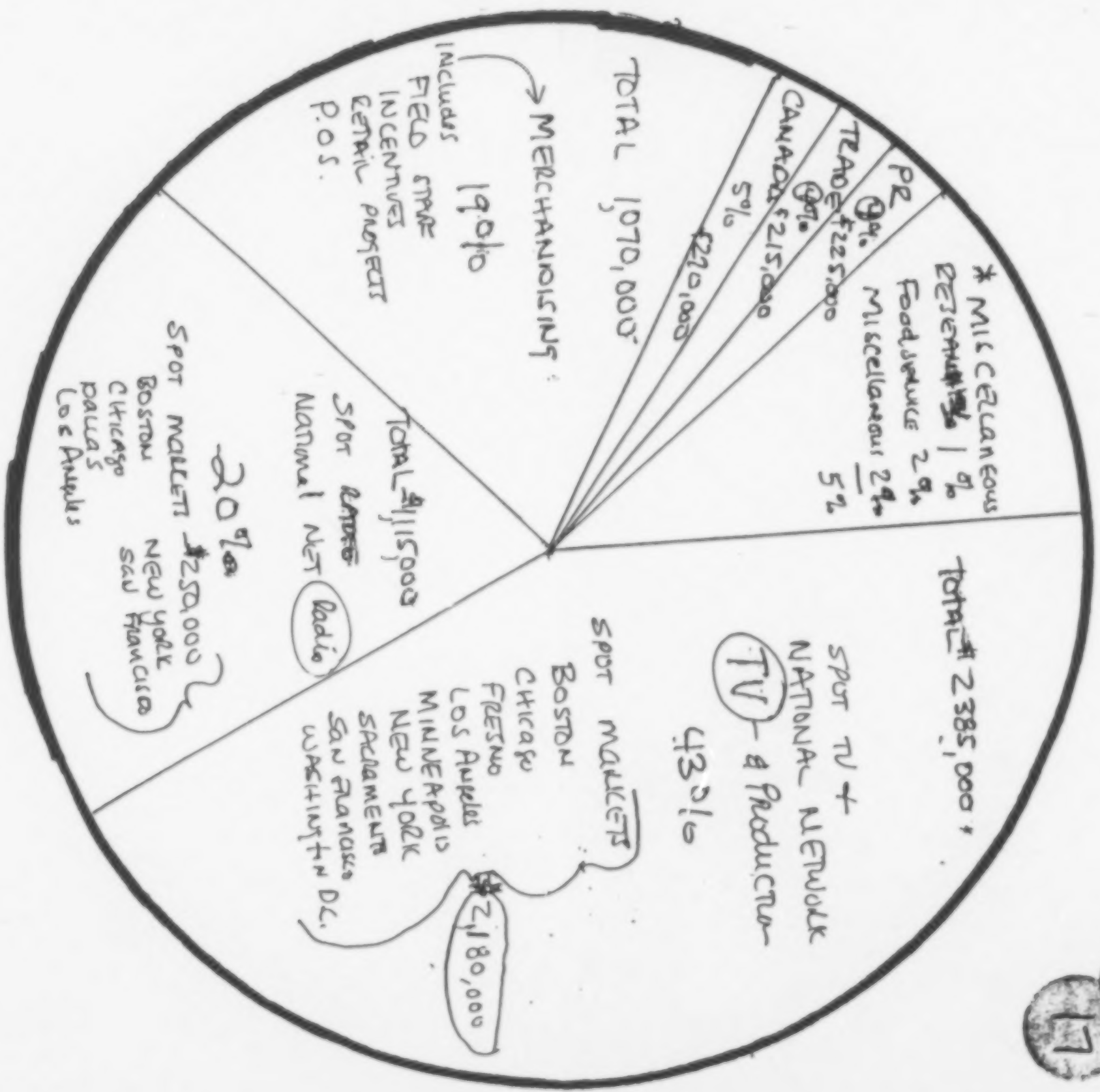
CALIFORNIA SUMMER FRUITS EARLY-MID SEASON VARIETIES

	MAY				JUNE				JULY					
	WEEK OF	1	8	15	22	29	5	12	19	26	3	10	17	24
PEACHES														
May Crest														
Springcrest														
Spring Lady														
Merrill Gemfree														
June Lady														
Flavorcrest														
Redtop														
Flamecrest														
Elegant Lady														
Sparkle														
Red Beauf														
Black Beauf														
Santa Rosa														
Queen Rosa														
July Santa Rosa														
Blackamber														
El Dorado														
Loroda														
Frior														
Simko														
Queen Ann														
Grand Rosa														
Maybelle														
May Glo														
May Grand														
Spring Red														
Firebrite														
Red Diamond														
Flavorlap														
Summer Grand														
Fontosa														

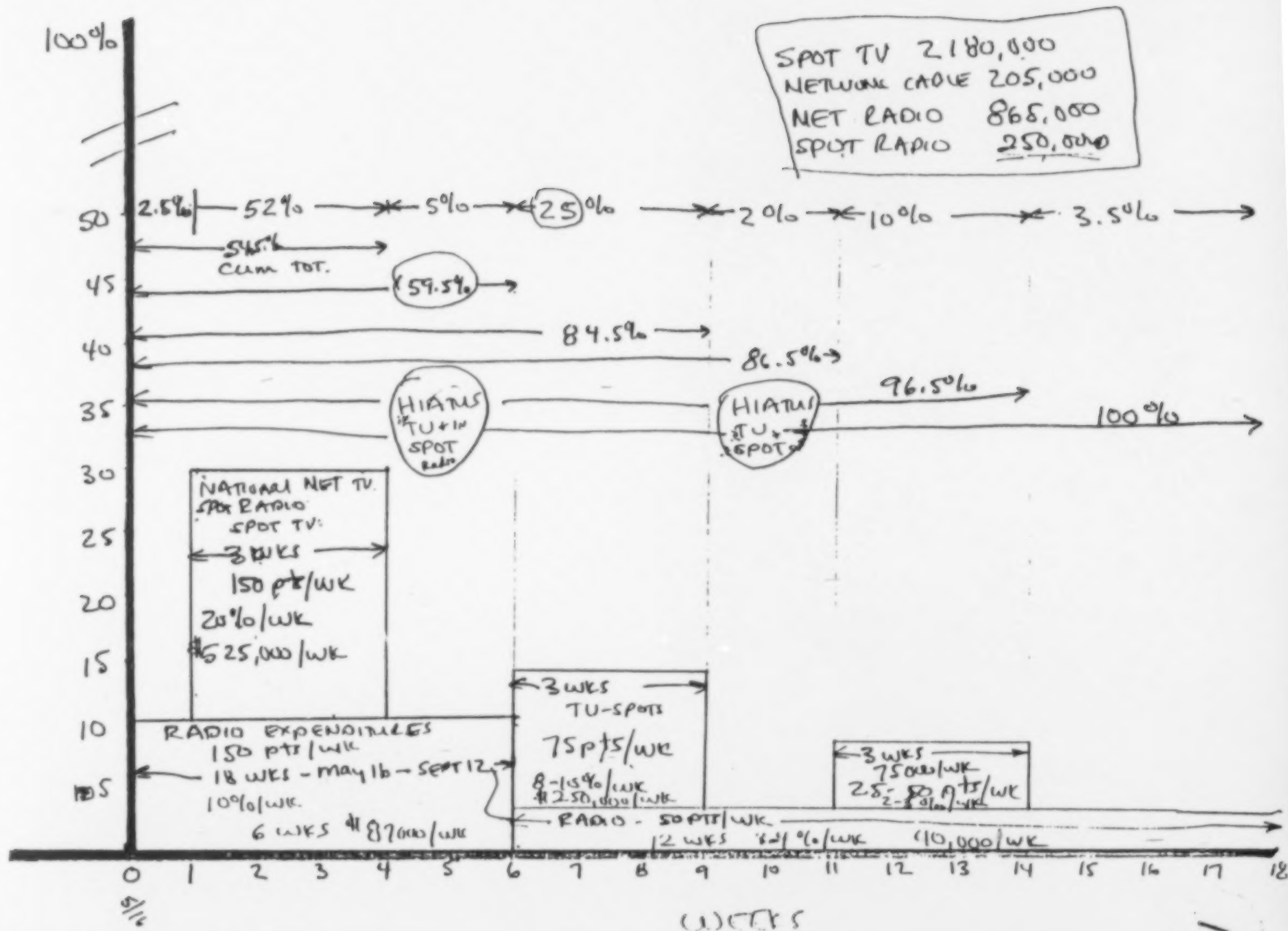
1988 MARKET DEVELOPMENT

BUDGET 5528000

35/ 17

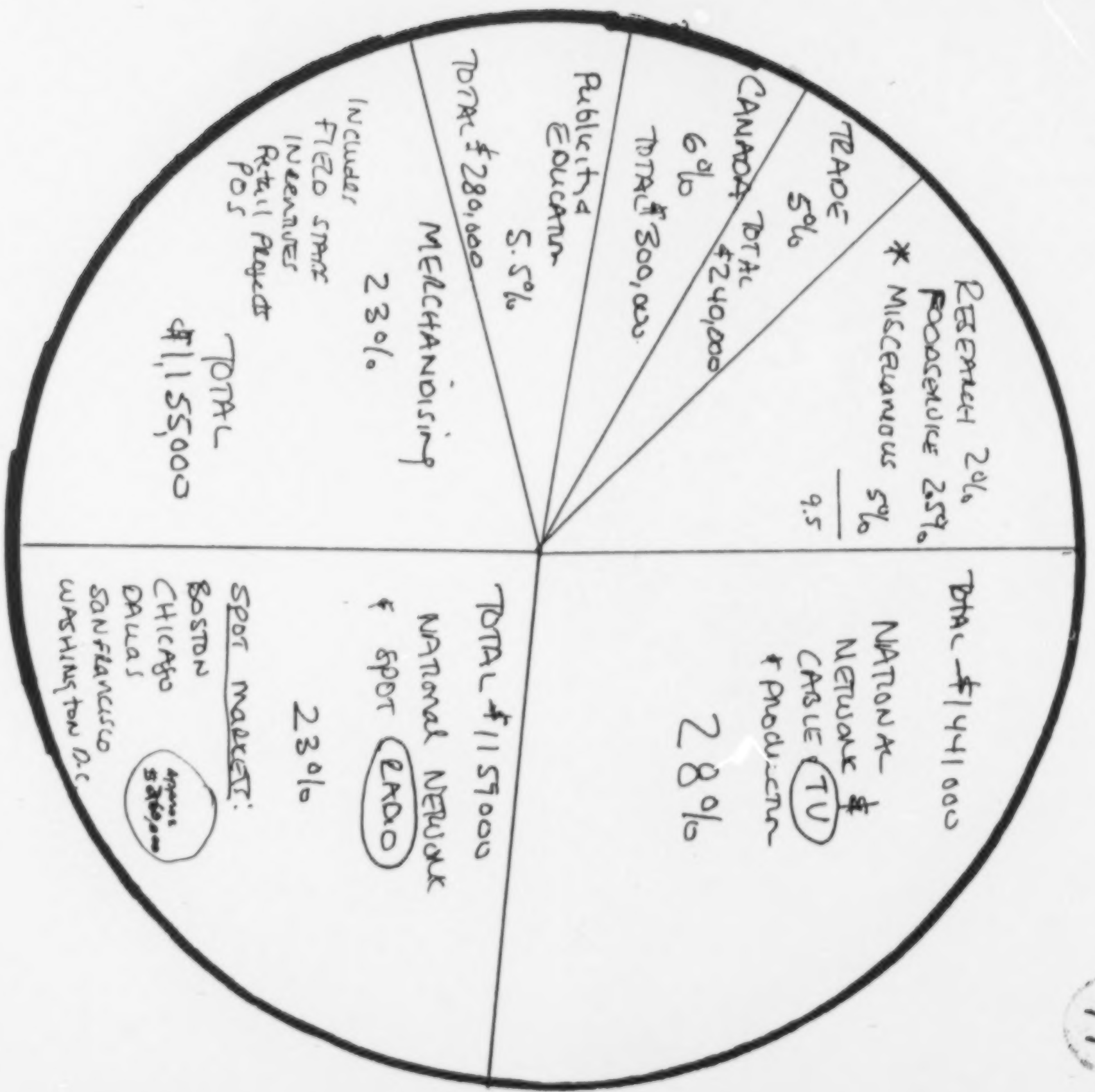


1988 MEDIA EXPENDITURES



1989 MARKET DEVELOPMENT Budgeted \$5080 000

19



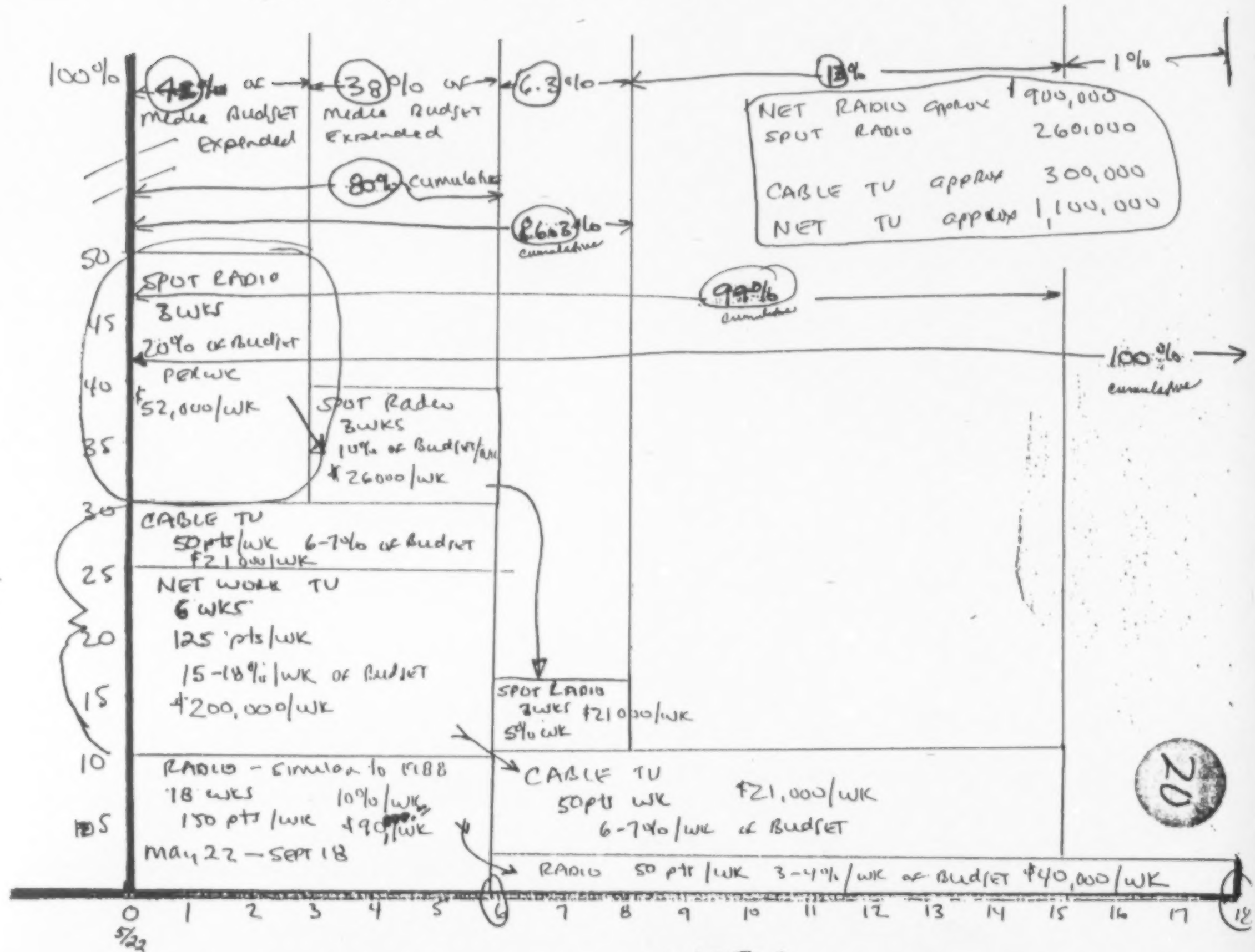
* SEE NOTE #1 - AIRWORK HAS NOT IMPROVED

1985 % of Budget by Line & Month

350

%

ALL TV



(1) F.F.S



LOOK
BRAND

Bluebird
PACKED AND SHIPPED BY
WILEMAN BROS. & ELLIOTT, INC.
CUTLER, CALIFORNIA

PRODUCT OF U.S.A.

Flash

PRODUCED BY
WILEMAN BROS. & ELLIOTT, INC.
CUTLER, CALIFORNIA
U.S.A.

PRODUCT OF U.S.A.

WHISTLE
BRAND

WILEMAN BROS. & ELLIOTT, INC.
CUTLER, CALIFORNIA, U.S.A.

LISTEN
BRAND

California
GRAPE

WILEMAN BROS. & ELLIOTT, INC.
CUTLER, CALIFORNIA, U.S.A.

THE SECOND AND



538

THIRD GENERATION

WILLEMANN BROS. & ELLIOTT

In 1925 Frank Elliott Sr., joined Charlie & Ralph Willemann in the fruit packing and shipping business. They had a modest 350 acres of grapes and tree fruit and a wood shed that was used for packing. Located in the heart of the world's richest agricultural area (Central California) and full of hope and optimism they proceeded to push ahead in the fresh fruit business. At this time the fresh fruit business was, according to all reports, considered unstable, and the domestic fruit marketing policies and practices were less than satisfactory, so Frank spent the better part of a year traveling to foreign countries to set up their own export market for the fruit. In 1929 this venture had enough interest and success to deserve a two-page feature article in the Los Angeles Times. "Grape Grower Is His Own Salesman in the Far East", the Sunday August 11, 1929 article read . . . "This Grower Played Columbus and Found a Market Overseas", reported the Times. Not only had his venture paid off for the fresh fruit business but by 1936 WB & E had prospered enough to move from that original wood shed to a large brick building formerly used by Sun Maid Raisins. Business continued to grow and in 1944 WB & E built their first building on its present site. By 1949 a refrigerated cold storage building was added.

When Frank Elliott, Sr. passed on in 1952 WB & E went through a complete change in top personnel. Frank Elliott, Jr. (Tom) stepped up to President, Leonard Willemann to Vice-President, and Bernard Willemann became Secretary-Treasurer. They also closed their export-import office in San Francisco and moved the entire operation to Culler. The second generation had completed the take-over. These young men who had started in the fields and worked through the operation continued to grow. With additions to their own ranches and by taking on absentee ownership management and increasing the number of their packing and marketing clients, WB & E stayed a leader in their field.

In 1964 WB & E took on another big expansion program when they added the orange processing, packing and storage plant. This brought the total of refrigerated storage space up to 317,000 cubic feet; one of the largest orange plants in Central California.

The entire history of Willemann Bros. & Elliott is a story of dedicated people; individuals willing to grow and expand because they know their jobs and put faith in their abilities based on their long experience as growers. This is as evident now with the third generation as it was with the original partners in 1925.

The facilities, equipment, experience, knowledge and people of WB & E are the sum total that mean greater profits for our clients and continued growth for the firm.



FRANK T. ELLIOTT, JR. - President

Frank T. Elliott Jr. represents the second generation of one of the most interesting and successful produce houses in California. Frank Jr. began his produce career at age eleven by working in the fields. His field experience carried him through his third year in college when he was advanced to the position of purchasing agent. He graduated from USC in 1941 with degrees in Business Administration-Foreign Trade. During World War II he was Squadron Commander and Deputy Group Commander in the U.S. Air Force. He still flies his own planes. Within a year after his return to civilian life he had taken over sales and general management of WB & E. Tom is also currently on the Board of Directors at Visalia Community Bank, Great American Federal, Elliott Land & Cattle Co., and Visalia Dodge, Inc.

FRANK T. ELLIOTT, III - General Manager

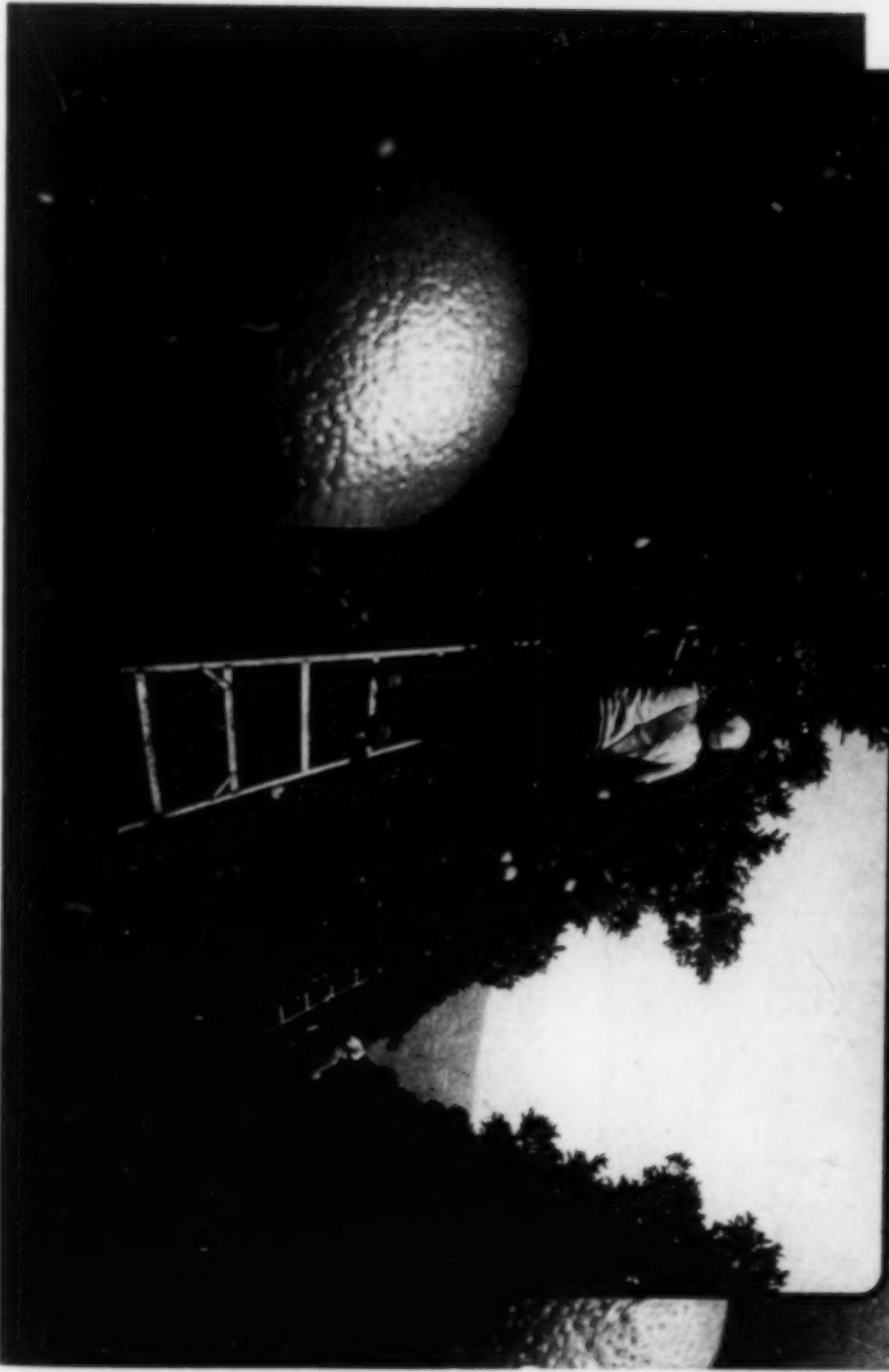
"Tokkie", as he is affectionately called, started in the fields at WB & E at age nine working for 25 cents an hour. He worked his way through every department at WB & E after school and during summer vacations. He attended the University of Arizona and graduated with a degree in Accounting from Parson's College in Iowa in 1972. Tokkie is a favorite with everyone at WB & E from the office staff to the supervisors, foremen, department heads and the employees in the plant and groves. He has the respect of all of these people because he has done their jobs and can still take over, but is willing to grant the authority and responsibility that shows his ability to lead. Tokkie has other duties such as: President-Visalia Dodge, Inc.; President-Kaweah Supply Co.; President-Elliott Land and Cattle Co.; Secretary-California Citrus Producers, Inc.; Director-Real Fresh Milk, Inc.; Director-Kaweah Land Co.; Director-Kaweah Crop Dusters.

A black and white photograph of a collage of images related to citrus production. The collage includes: a close-up of a citrus fruit's textured skin; a large pile of citrus fruits; a person operating a machine, possibly a juicer or slicer; a close-up of a person's face; and a box labeled 'Mr. Satchel'. The number '540' is visible in the top right corner.

ORANGES JUST DON'T GET ANY BETTER!

The difference is QUALITY through constant care and supervision. At WB & F every part of our operation from the groves and fields through picking, bathing, sorting, packing, and storage is given supervision with tender loving care by experienced people.

541



THE EXPERIENCE OF THREE GENERATIONS

The owners and managers of WB & E have spent an entire lifetime in the fields, packing houses, cold storage and shipping facilities, loading docks and direct marketing offices. Now in our third generation with one of the largest packing plants in Central California as a work center, we are more than middle men; WB & E is an integral part of California's vital agricultural lifestyle.



MR. NECTARINE®

California Nectarines

WILEMAN BROS. & ELLIOTT INC.,

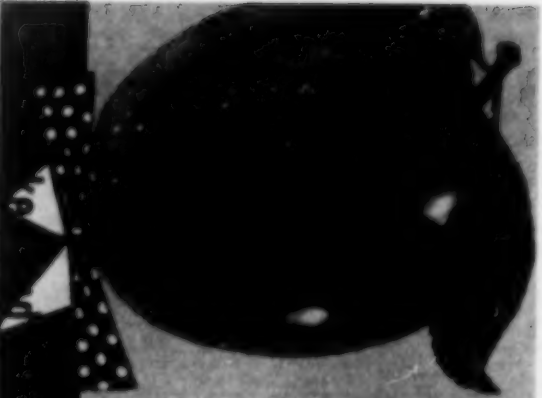
542



MR. PEACH

California Peaches

WILEMAN BROS. & ELLIOTT INC., Culter, California



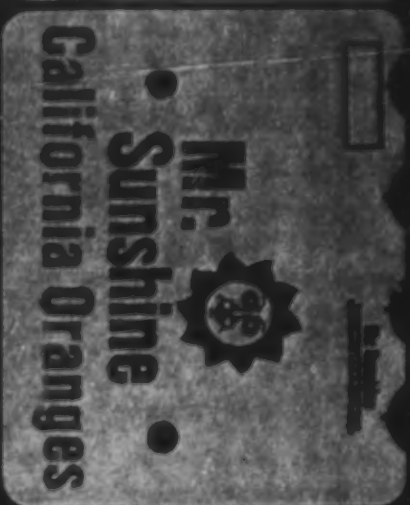
MR. PLUM®

California Plums
PRODUCE OF U.S.A.

PLANT
COOLED

WILEMAN BROS. & ELLIOTT INC.,

NECTARINES



544

PLUMIS



Fall in Love
with a
Sweetheart
Plum

KASH INC.



